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IMMEDIATE PROBLEMS OF NAVAL REDUCTION

By Admiral Sir Herbert W. Richmond

WHEN the London Conference came to an end it was agreed that the next Conference should take place in five years. One year of that interval has already gone. What, one may ask, has been done by all of us during that year in preparation for that next Conference? Has any investigation been set afoot, in any of the countries concerned, to examine, in the true scientific spirit that problems of such magnitude demand, all the matters which must then come up for — possibly — a final settlement?

If this investigation has not been begun, when is it to begin? Are we again to postpone consideration until the last moment, then once more to witness the delegations assembling with neither common nor clear ideas, pursuing totally different objects — some aiming at security, some at proportions, some at nothing at all — and finally producing an *ad hoc* agreement, costly to all, and satisfactory to few, if any? Are we then to resume the construction of ships of the immense size at which they were left? And if we are not to do these things, is it not the duty of all who have any care for economy or common sense to study the problem of size instead of shirking it? For shirked it undoubtedly was at the London Conference, for what reasons I do not know. But it can neither be shirked nor burked when next the nations meet.

Another question of no less importance was left in a wholly unsatisfactory and unstable condition — that of what is called "cruiser strength." Neither with regard to the size of the individual vessels that are called "cruisers," nor with regard to their numbers, were the decisions made in accordance with any

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of the principles upon which men in all other concerns in life base their practice. A man who desires to transport goods across a river by means of a rail service carried on a bridge does not inform his designer that he may employ so many tons of steel in the construction of the bridge, basing that weight upon the weight of some other bridge, thrown across a river of a different breadth, and used to carry different loads at different speeds. He informs him where the bridge is to be built, and what function the bridge is intended to perform. So the "cruiser strength" of nations requires to be based upon the functions which their several cruiser forces have to perform, and the conditions under which they have to perform them.

If at our next meeting we are to arrive at a satisfactory agreement it must be one based upon some scientifically sound conceptions. It is useless to juggle with arithmetic and accountancy, with a set of catchwords and *a priori* assumptions as a foundation. Such methods began to go out of practice in the days of Bacon and are out of date. "The free employment of reason in accordance with scientific method is the sole method of reaching truth." So said Huxley, and this is as true in the field of naval armaments as it is in that of biology. Thinking, Lord Haldane was fond of saying, costs nothing. Events since 1914 afford ample evidence of what colossal expenditures of life and of money, what disastrous results to the world, arise from want of competent thinking.

II

What, in its ultimate analysis, is the problem which these several Naval Conferences have to solve? Put in its shortest form, it is, I believe, "to arrive at some general regulation of naval armaments which shall give all the nations of the world a real sense of security at the lowest possible cost." "Security with economy" is, I venture to suggest, the true aim. But it is not the aim which has governed the conduct of the Conferences already held.

There are those, I am aware, who deny that security is to be regarded as an object, and who condemn France and such as agree with her in reiterating the need for security. This is an attitude of mind which defies facts. It is indeed arguable that armaments cannot furnish security. It is arguable also that the state of the world of today — and of tomorrow — is such that war is impossible. Those views may or may not be true. But the facts,

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obvious to all except those who deliberately close their eyes to them, are that, notwithstanding pacts, covenants, treaties, and other excellent prophylactics against war, the majority of the statesmen of the world of today are far from being convinced that their successors will not belong to that "foolish part of mankind" of whom Benjamin Franklin wrote, the part which "will make wars from time to time, not having sense enough otherwise to settle their differences."

The idea that the signature of the Pact of Paris has opened the doors of a new world and closed forever the Temple of Janus fails to take into account that a similar renunciation in 1790 was followed by a quarter of a century of war. "La nation française *renonce à entreprendre aucune guerre dans la vue de faire des conquêtes*, et n'emploiera jamais ses forces contre la liberté d'aucun peuple." [1] More than one anticipation of prolonged peace has been sadly falsified, and Great Exhibitions and Peace Conferences too often have proved to be only forerunners of more war. Moreover, though war is renounced as "an instrument of policy," the right of self-defense is stoutly maintained. This is, in truth, the attitude of the ostrich, for every war since (and including) Caesar's invasion of Gaul, except the barbaric invasions of Mongols and Huns, has been represented by those who initiated it as a war of self-defense: and perfectly good reasons can be produced by the special pleaders and pedants on both sides to prove that the defense of something essential to national existence was the sole cause of their taking up arms. It is only necessary to read the proclamations of the past to find witness of this. Since national existence — under determined conditions — is the principal aim of all policy, a war of defense is itself a war fought in pursuance of policy. War, in fact, like its civil manifestation, the strike, is an instrument of policy, and it is the merest self-deception to pretend that it is anything else; for words will not alter facts, and the naval and military budgets are unmistakable facts.

Thus I see no way of evading the fact that the peoples of the world, while welcoming and encouraging every movement which promises to reduce the danger of having to settle differences by force, have not as yet confidence enough in the prophylactics designed for their protection. They are not prepared to entrust

[1] Decree of May 22, 1790, art. 4, quoted in Sorel, "L'Europe et la Revolution Française," I, p. 318.

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the fortunes of themselves and their children exclusively to these safeguards. Foolish and distrustful they may be, but they have perhaps some excuse, for the machinery is as yet untested and to some it has a delicate appearance. They desire greater security.

What, then, is meant by "security"? Against what kind of injuries is security desired? From whence, and by what means, can injuries be inflicted?

The two injuries to which nations are exposed are those which enemies may inflict upon them in order to force upon them compliance with some demand: a demand, for example, to cede territories, to discontinue a policy, or to abandon any other rights which they regard as essential to the well-being of their citizens. One way in which compliance may be forced upon them is either by an invasion of their country and the subjection of the people to internal pressure by occupation, or by invading and holding those territories the cession of which is demanded. The other way is by cutting the people off from activities essential to their national life. "You take my life When you do take the means by which I live."

A navy is one of the national instruments furnished by the State with the object of completing the State's security against those two injuries. It does not stand alone in this duty. Armies, geographical conditions, commercial, productive and economic factors, all play their parts; and the strength required at sea depends in a great extent upon those conditions. Navies, for example, play but a small part in the defense against invasion of those countries which maintain, or are capable of raising, large land forces. While nations with numerous colonies — Athens, Rome in its later days, Venice, or the United Provinces — needed navies to connect their scattered territories and enable help to be sent to any that were threatened, nations which are without colonies or which have few of them are not in the same need. To the former the navies are to their colonies in the same relation as the Roman roads were to the defense of the land frontiers in the Empire — they are the indispensable means of effective intercommunication between the scattered units and positions. Again, nations which lie remote from danger, and which are safe from invasion by sea unless their enemies use a great quantity of shipping tonnage to transport and supply the invading armies, are largely protected by these very factors of distance and transport needs, and can feel secure without great

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navies. It was doubtless these considerations which made the late President Roosevelt express the opinion in 1919 that America was in no danger from invasion even though her fleet were less than that of some other Powers.

Finally, the security of "the means by which I live" varies greatly according to very many conditions. I need not repeat what has so often been said on this subject. I must, however, point out that mere arithmetical calculations of totals of seaborne import and export trades and coastal trades do not, by any scientific processes of thought, constitute the sole criteria of the actual or proportional forces needed for defense. The nature of the trade, the conditions under which it is carried, the vulnerability of the most important strategical positions, are among the many factors forgotten by those who treat this problem as one of mere mathematics.

I think it of the highest importance, therefore, that serious scientific study should replace the *a priori* methods by which this subject has hitherto been discussed. I am confident that this can be done only by observance of those two rules expressed nearly three centuries ago: to divide the problem up into its several parts; and to accept as true nothing that cannot be demonstrated to be true. Both of these simple rules have been honored in the breach rather than the observance.

III

The subject is divisible into two main parts: one, the size of navies; and two, the size of the individual fighting ships which constitute the units of those navies.

The size of a navy is determined by the functions of navies in general, and by the strength required by particular nations for the performance of those functions.

First let us consider the general. The function of all fighting forces is defensive [2] unless, like Rome in its period of development, the Mongol Empire of Jenghiz Khan, the Mohammedan Empire in its phase of conquest, the policy of a country is one of aggression: a policy of procuring territory, rights, or trade at the expense of other nations. There are two dangers, and two only, against which fighting forces are required: I have mentioned them earlier — invasion and (what for short I shall call) isolation.

[2] This has nothing whatever to do with the manner in which force is used in defense. The object to be attained and the course of action adopted for its attainment are, as everyone is aware, two wholly distinct matters.

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I am aware that there is a popular belief in some quarters that two other elements enter into the question, the defense of rights as a neutral, and "prestige," but I do not agree with those who include these as elements in the determination of naval strength.

As to the former, a nation has the choice of two methods of exercising pressure as a neutral — the use of military force, the use of economic power. It needs but little consideration of actual facts to make it clear that if a great nation shall have furnished itself with a force adequate for its security against the dangers already referred to, namely invasion and isolation, it will *ipso facto* possess force ample to assert and support its rights as a neutral. It has been alleged that this cannot be done unless the nation's navy is equal to that of the largest possible belligerent, but this theory will not stand a moment's examination when tested by the one reliable test, experience. Mahan, in his book on the War of 1812, demonstrated clearly the fallacy of the view, as illustrated by that war. Again, one has only to recollect the long experience of England, and her constant need of conciliating neutral opinion.[3] Or, proceeding from experience to speculation, the theory can easily be tested by applying it to hypothetical situations. By whichever method the tests be applied, the truth of Mahan's views receive full confirmation.

If, proceeding from military measures, we consider the influence of economics, the case becomes stronger. Taking a wider view of war than that which is confined to mere naval strategy — that is, looking at war in its reality — the case against the need for supreme navies to defend neutral rights becomes overwhelming. Since no nations produce within their own borders all the varied materials which war calls into use, great nations at war are always under a necessity, from which none can escape, of importing goods from without. This is nothing new. It was true of England (and France and Spain likewise) when the fuel of her fleets was the wind and when the machinery by which motion was given to the vessels consisted of hemp, canvas and spars. These materials were procurable in sufficient quantities only in the north of Europe. The Northern Powers, monopolists of these materials, were well aware of this. The "Armed Neutralities" arose, and England had to recognize their power and make concessions to their sentiments, little as they ran in accordance either with

[3] The instructions to the Sea Commanders in the eighteenth century furnish ample evidence of this statement.

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international law in the abstract or with the conduct of those Powers when they were in alliance with Britain.[4] It was true of an England far more self-supporting in food than the Britain of today: for in her long, exhausting wars she had to finance her poverty-stricken allies with subsidies, or loans that were repaid at three shillings in the pound; and trade with neutrals was essential to enable her to do so. To her, an embargo or a non-intercourse act were serious blows.

And it was true in the late war. What, indeed, could more completely proclaim the power of a neutral who commands essential sources of supply than the words of M. Clemenceau to President Wilson before the campaign of 1918? He wrote as follows:

> At the decisive moment of the war, when the year 1918 will see military operations begun on the French front, the French army must not be exposed for a single moment to a scarcity of the petrol necessary for its motor lorries, aëroplanes and the transport of its artillery. *A failure in the supply of petrol would cause the immediate paralysis of our armies, and might compel us to a peace unfavorable to our Allies.*

In the face of such evidence, to which very many other examples might be added if space permitted, no picture could be less true to life than that which depicts the neutral as helpless because it lacks a navy equal to that of the strongest belligerent, and therefore unable to insist upon recognition of those rights to which it is entitled by International Law. It is surely time that we heard no more of this unsupportable assertion, and of its having any bearing whatever upon the problem of armaments.

The other adduced reason, prestige, is perhaps hardly worthy of mention: and indeed I would not refer to it at all had it not so often been brought into the witness box. "A great nation is entitled to a navy as large as any other." Certainly. Every nation is "entitled" to whatever it chooses to spend its money upon. Of that there is no question. But there is no more inherent necessity for a nation because it is "great" to have a "great" navy than there is for him who drives fat oxen to be fat. I think that Burke in his speech in 1774 against enforcing taxation of the Northern colonists, which then had become largely a question of British prestige, said all that needs saying on the question of prestige:

[4] England's recognition of her dependence upon the neutral for these vital supplies led her to stimulate the production of timber in her northern colonies.

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They tell you, Sir, that your dignity is tied to it. I know not how it happens, but this dignity of yours is a terrible encumbrance to you: for it has of late been ever at war with your interest, your equity and every idea of your policy. Show the thing you contend for to be reason; show it to be common sense; show it to be the means of attaining some useful end; and then I am content to allow it what dignity you please.[5]

Let us then confine ourselves, in considering the strength of navies, to the function of "attaining some useful end," that end being defense against the two dangers of invasion and isolation, and no other. What, in broad and comprehensive terms, is the character of the problem of defense, and how does it affect the strength of navies?

Defense is a military operation, in which two sets of armed forces act against each other. Those armed forces, in the great majority of cases, are divided into two parts: a force in the field, concentrated to the utmost extent practicable, opposing a similar concentration of the enemy; and a force employed in defending the line, or lines, of national or military communication.

While the strength of the force in the field bears a direct and obvious relation to that of the opposing force, the force in the line of communications is related primarily to the importance, length, extent, and vulnerability of that line. The armies under Soult and Wellington in the Peninsula War aptly illustrate this. The forces used in concentration were of approximately the same strength — superiority in battle was the result of strategical or tactical manœuvre. But as the French commander was under the need of protecting a long line of communications which was exposed throughout to attack by detachments either of guerilla or regular forces, the British army, supplied by sea, was under no such a need. Soult therefore needed more men in Spain than Wellington: and the interpretation of the latter's remark that 80,000 British and Spanish troops were keeping 200,000 of Napoleon's employed is that this vast extra force was necessary in consequence of the demands of the communications. Indeed, is it not plain common sense that where one combatant has much to defend, while the other has nothing, or little, the former needs the greater strength?

[5] Prestige, or the material expression of "greatness," was not without its influence on the "race of armaments." Sir E. Grey, in a speech on July 25, 1912, referred to a "possible and obvious cause" of the building of the German fleet, "which is, that a great and growing nation generates power, not necessarily for aggression and with no special design, but because it wishes to be powerful." That is, for prestige — not for the purposes of defense alone. It cost the world very dearly, this pride of pomp.

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This elementary fact is applicable in every way to the security of communications at sea. Most unfortunately it appears to have escaped the attention of those who have devoted so much mathematical ability to producing columns of figures, for those figures bear no relation whatever to the fundamental object of navies — security. The principles which are deducible from abstract reasoning and which will stand the most searching test of experience — experiment — are that the bases of measurement of quantity of force in concentration and force in detachment are different. We measure the total quantity of force to be used in concentration by the quantity to which it will be opposed on the field of battle; we measure the quantity required in the line of communications by the conditions in which those communications are conducted. In the one case the quantity of the force is relative to the quantity of the enemy's. In the other it is relative to what it has to defend. In those two needs we have the elements of the problems of what are called "battleship strength" and "cruiser strength."

The expression of principles is merely a starting point — a means to an end. It is clearly not enough to stop at saying that the strengths of certain forces are relative or absolute. It is next our business to apply those principles, to interpret them in terms of actual quantities. How, then, are we to arrive at the determination of those quantities?

It is a commonplace of all history that those nations which have given most hostages to fortune by the creation of oversea interests, either colonial or maritime, or which are exposed to the danger of invasion by sea, are those which have always possessed the greatest force at sea. They possessed it for the simple reason that they needed it for their security. And it is no less demonstrably true that those which, being in that condition, failed to furnish themselves with adequate strength at sea, fell.[6] No less is it an historical fact, and a logical interpretation of conditions, that the quantity of main fighting strength with which those "maritime" nations have furnished themselves has depended upon the strength of those by whom they believed themselves liable to be attacked.

The proceedings of the several Naval Conferences may be not

[6] "Since the dominion of men was asserted over the ocean, three thrones, of mark beyond all others, have been set upon its sands: the thrones of Tyre, Venice and England. . . ." The quotation is familiar — but nevertheless true.

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improperly described if we say that they began their deliberations by allocating purely arbitrary quantities of force to the great Naval Powers,[7] and then worked downwards in the scale to the lesser Powers. In so doing they reversed the normal process in which this matter has ever hitherto been treated by men of experience. Nowhere is this to be more clearly found than in the period of growth of the German Navy. The British "battleship" strength was dependent entirely upon the strength which would result from the German "Naval Laws." If the Germans had ceased building, Britain would have done likewise.[8] So, earlier, the strength of England at sea had depended upon the combined strength of France and Russia, and earlier yet upon that of the Bourbon Powers.

But if this be the fact, we ask next, "Upon what do the 'lesser' Powers determine their own strength?" Where is the starting point? The starting point is the strength of the weakest; the strength of him who has least to defend at sea. I do not say that the strength of *every* Power is determined by that of those weaker, for it is common knowledge that there are those who fear attack by a stronger, and therefore furnish themselves with such strength as will not leave them at his mercy. They provide themselves with enough to preserve that which is vital to them, though this may not be enough to preserve much the loss of which would set a severe strain upon the resisting powers of their people. Nevertheless, the strength of the weakest is the true and original starting point of all; it is the criterion.

We are still, however, without our quantitative criterion: for what is to determine who this "weakest" is, or what his strength is to be? By what are *his* needs to be decided?

In normal circumstances this would unquestionably be a difficult question to answer; nor do I suggest that it is without difficulty today — or will be tomorrow. Nevertheless I throw out the suggestion that it is not insoluble in the circumstances of today, which are not normal.

The measurement of quantities is, in every case in ordinary life, referred to some common standard, arbitrarily adopted: the yard, the metre, the pint or the weight of the pound sterling —

[7] 15 battleships to Britain and 15 to the United States.

[8] "The [British] naval programme, embracing several years, which is to be introduced in the House of Commons tomorrow, is based automatically upon ours. If we increase, they increase here. If we reduce, they reduce here to match." Count Metternich to the German Foreign Office, March 17, 1912.

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123.27 grains of "standard" gold. Is there any such fixed standard of strength anywhere to which, as the cloth is applied to the yardstick, the quantities of force can be applied for comparison?

I suggest that there is. It may not, perhaps, be permanent, but it exists today and we can use it. It is to be found in the Naval Clauses of the Treaty of Versailles by which Germany was limited to a "battleship" force of eight ships: for though these ships were of but 10,000 tons, they are "battleships." There we have a definite, a fixed, quantity: arbitrarily fixed, doubtless, as the yard, the pint and the pound were originally arbitrarily fixed, but none the less valuable or applicable on that account. To that "yardstick" the strength of the "mass" of other navies can be applied at the start. Space will not permit me to indicate how, from such a start, the problem of quantities unfolds itself, first relating the strength of France — as Germany's next neighbor — to the standard, and passing onwards until we reach the Power most dependent on the sea, the British Empire.

The strength of cruiser forces — a term which properly includes all those lesser vessels which are called upon to perform detached services, the brigs, corvettes and frigates of the past, the destroyers, sloops and the like of today — is not determined, as I have already said, by relativity. There are those who, presumably from a lack of opportunity of studying the practice and experience of the strategy of what is called "sporadic warfare" or the *guerre de course*, imagine that the strength of cruisers is governed by rules of proportion. I have endeavored to show that this is incorrect and that the criterion lies in the duties which have to be performed and the conditions of performance.

This fact, fully appreciated by Lord Balfour and the statesmen of ten years ago, has not been understood by their successors, and for that reason it seems desirable to explain the matter; though in truth there is in it no mystery, concealed from all but seamen. It is a problem which for the last 150 or 200 years has been familiar to the statesmen of Britain, and, I imagine, no less familiar to those of other nations. It is a matter which can be understood by any intelligent man who has never seen the sea.

I have spoken of the forces needed for the defense of communications on land, illustrating my remarks with the examples of Soult and Wellington in Spain, and the differences of their needs owing to the differences of exposure to attack of their essential

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lines of communications. But what dictates the *actual* quantity of force, the number of units, employed upon that duty?

A line of communications on land may run, as did those of the French army in the Peninsula, the British army in South Africa, or the British and the Turkish armies in Mesopotamia, through territory in which it is exposed to attack. It passes through important railway centres where much traffic collects, over rivers spanned by bridges, through narrow cuts or tunnels. All these are points at which an attack can do the maximum physical damage or create the maximum delay. Such "focal" points are therefore held by garrisons. But supplies must move between these guarded points, and in their journey between them will be exposed to attack. They are therefore protected by armed guards — "escorts" — in that part of the line. The places which require guards are known, the number of trains or wagons — convoys — which must be moving or collecting at any given time are known. The parts in which the natural conditions are such that no escorts are necessary are likewise known. Thus the basic factor in the calculation of strength is the number of fixed and moving points in the communications which must be furnished with defense. We have in this an "absolute" factor, irrespective of the strength of the enemy. This was very clearly set out by a great and experienced seaman, Admiral Pellew, who in 1810 expressed it in the following simple terms:

> The Board must be aware that a calculation of the entire force requisite to be employed in India *must not be founded on the numbers of the enemy*: the French have no trade to protect, and the Dutch have very little . . . whereas the immense trade of the British Colonies alone forms a most important object of protection, so scattered and divided as to require a very large force to furnish it with adequate security.

There is also a relative factor — the "reasonably probable" strength of the attacker. This is a matter largely of judgment. Thus, at sea, the "cruiser problem" is precisely the same as the corresponding problem on land. The number of cruisers needed by a nation is governed in the first instance, and in the main, by the number of points in which forces are needed to cruise and the number of bodies of shipping — convoys — which simultaneously require protection by escort. Experience of commerce warfare gives an indication of the probable strength of attacking forces: it is not, as some rashly assume, a mere matter of "if one *Emden* occupied 20 cruisers, 10 *Emdens* would require 200." Yet

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this very crude statement has been made — a striking example of mistaking mathematics for strategy.

It is quite obvious to anyone acquainted with the problems of policy, shipping, commerce and economics that each nation has its own problem in this respect. For some nations the most essential communications are military; and commercial communications, in any war that may come within the region of practical probability, are of minor or even negligible importance. To others, commerce may be all important. Between these extremes there are many variations. In every case the geographical conditions are different. There is, in fact, no common ground whatever, and all calculations in mere arithmetic and ratios are the purest moonshine. No one who has made even a perfunctory study of the experience of war at different ages, and has acquainted himself with the methods of defense employed, is ignorant of this elementary fact. Unless, rejecting the teachings of experience, we continue to deny that the object with which we furnish our various selves with navies is security, and, playing the Alice-in-the-Looking-Glass game of "let's pretend," persuade ourselves they have some other purpose, the strength of the so-called "cruiser" forces can be determined only by each individual nation according to its own needs. Each alone is the only possible judge of what those needs are; for it alone knows not only what it requires to defend but — no less important — what it is possible to defend, and the manner in which it proposes to afford defense. No one can tell another nation any of these things, and least of all the last of them.

If this elementary fact be not recognized it is safe to say that no decisions arrived at by any number of conferences can be permanent, for the simple reason that, until the time arrives when nations abandon sovereignty, no nation will permanently submit to be at the mercy of another. The only alternative is a system of alliances. On the probability of alliances being formed, of their practicability, and of their efficiency and reliability, each one can form his own opinion from his knowledge of the world of today and of the experience of the past. Britain, on her part, will find no evidence in her experience which will encourage her to entrust the fortunes of her people to the interpretation which foreign governments will place, at a time of trial, upon treaties. August 1914 was not the first occasion upon which a solemn engagement proved to be a scrap of paper.

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IV

I pass from this aspect of the problem to the second matter of the size of the individual fighting ship. Here again the fundamental element is "function." What, in its final analysis, is the function of the fighting ship? (I avoid, of set intention, the use of the word "battleship," for a battleship is merely one type of a fighting ship.) As before, I seek a criterion.

As the function of navies as a whole is to prevent invasions or isolation, so the ships of which navies are composed are the instruments by means of which the troops of an enemy, or the supplies needed by the armed forces or the nation, are prevented from moving across the sea. By what means do these troops or these supplies cross the sea? In all major operations — operations of a decisive character — they do so in vessels normally built for the carriage of passengers or goods, merchant vessels; for men-of-war are not adapted to the carriage of troops and their impedimenta, except in small quantities.

Let us suppose two nations at loggerheads. The one possesses a large number of land forces, but no fighting ships; the other, preferring that its towns and country shall not become fields of battle, decides to create its defense at sea, preventing the enemy from landing his army. The military Power requires, for the use of its army, various materials or weapons procurable only from outside its own territory. How large must be the fighting ship of the Power threatened with invasion? Or, put with greater accuracy, *How small can she be?*

The answer is plain. Provided she is strong enough to be able, with certainty, to compel surrender upon a ship carrying troops or goods, and is provided in numbers sufficient to deal with the situations that will arise (geographical, strategical, tactical), she will be large enough to make her country secure against the danger of invasion. The enemy cannot cross the sea when there is a reasonable probability that he will be encountered before reaching his destination, and a certainty that he will lose a large part of his force if he is encountered. Though the enemy may arm his merchant ships, transforming them thereby into men-of-war, these will never be other than weak war vessels; and provided the regular fighting ships are strong enough to ensure their defeat — that is, possess a sufficient margin of superiority over the armed enemy merchant ships — they will be large enough to perform

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those functions for which a fighting ship is built. Commodore Oliver Perry's brigs and schooners on Lake Erie, having won the battle of Lake Erie, were capable of exercising command on that Lake; Howe's frigates were large enough (though not numerous enough) to control the seaboard of the Northern Colonies; the small vessels blockading the Southern States in the War of Secession were large enough to make that blockade effective and produce the desired result — isolation: the frigates, sloops and rowboats of the Channel fleet were large enough to interrupt the coastal traffic into Brest and thus prevent naval stores reaching the port. The existence of larger ships was due to no other reason than that it was possible for both belligerents to provide themselves with them.

Larger ships are not necessary for what is called "battle." Two or twoscore destroyers or corvettes, two or twoscore light cruisers or frigates, two or twoscore *Rodneys* or *Victorys* can equally fight to a finish or decision, just as two lightweights can fight as good and decisive a fight as a Dempsey and a Carpentier; and they can take as much punishment *from their antagonists* as the heavier ship or man from theirs.

Thus the idea that, for intrinsic reasons connected with fighting at sea, there must be some very great and powerful ships of twenty, thirty, or forty thousand tons in all navies is the purest fiction. The sole reason for their existence lies in the fact that other Powers have them. They are the result of nothing except competition. Some people appear to suppose that "battles" can only be fought by "battleships" and that battleships are battleships only if they mount certain very large guns and are furnished with armor. Yet if, following the ordinary lines of investigation, we apply the test of experience to this theory, we see at once that no confirmation of it is there to be found. The big ship stands no more blows from the big guns of her like than the small ship from those of hers.

Much confusion is caused by the use of the term "battleship," in forgetfulness of its real meaning. The word "battleship" is a mere corruption of the term "line-of-battle-ship" or "ship of the line of battle" — the ship fit to fight in "the line." When the single line became the fighting formation of fleets, ships of all sizes, from 26 guns upwards, took their places in the line: but as ships grew in size, and their cost increased and the number mustered in battle became fewer, the vessels of the smaller sizes,

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which had previously been able to play a part in the line, became too weak. First the 40-gun, then the 50 and later the 60 dropped out of "the line," for only the largest types were strong enough to fight in the line against the largest of the enemy. But when "the line" was composed of small vessels, as it was in the Indian Seas where 20-gun ships were "ships of the line," or in the Lake campaigns of 1812, or at the frigate action off Lissa under Hoste, the small vessel automatically became the "ship-of-the-line" — in that battle. If today two Baltic Powers, neither of which possessed vessels larger than "destroyers," were at war, those "destroyers" would be the "ships-of-the-line," or "battleships," in any sea fighting that might take place: as the Japanese light cruisers were in the Chino-Japanese War. They would be fully capable of doing that which was required — wresting from their enemy the command of those waters in the Baltic in which control was needed; and they would then be able to *exercise* control, provided the enemy could not overcome them by means of armed merchant vessels. Of this there can be no shadow of doubt.

We cannot indeed find anything to show that a "battleship" — so-called — must be of any particular size. We see that decisive battles have been fought by ships of almost every size. Without going back beyond the period of iron and steel we see decisive battles at Lissa, in which the largest "ironclads" were of under 6,000 tons; at the Yalu, when they were under 7,500; at Manila and Santiago in the same war, of under 6,000 and 11,000 tons; [9] and at Tsushima, of under 15,000 tons. Size is not a criterion of decisiveness or a demarkation of a class or ship. All of these battles were more decisive than the battle of Jutland, where the ships were of nearly twice the size and more than twice the cost of those at Tsushima. A battle is, in fact, no more than a contest between two opposing forces with the object of obtaining command of a particular sheet of water, large or small. The ship must be capable of reaching that sheet of water, and of operating in it.

For my part, after much consideration of this question during the last ten years, I can find neither strategical nor tactical reasons for any fighting ship of any Power being larger than 6,500 tons. Space will not permit me to explain why I arrive at that figure, nor to anticipate the flood of criticism from the

[9] At Santiago, one battleship — the *Texas* — was present whose tonnage was 6,300.

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so-called "technical experts." [10] If all other artificial limitations on numbers or on armaments are got rid of, and the sole international agreement is that no nation will build fighting ships larger than 6,500 tons, economy will walk hand in hand with security.

While I express this view as a seaman, I am not unaware of its political difficulties. I know that in politics, as in war, the choice which has often to be made is not between one or more advantageous courses, but between the least harmful of two or more disadvantageous courses. I recognize the difficulty of adopting what, in my opinion, would be most advantageous for *all* of the nations.[11] The Treaty of Versailles is here a political stumbling block. By that treaty, Germany was limited to providing herself with eight battleships of 10,000 tons each. If the sacrosanctity of every clause of that treaty be a fundamental principle of international relations — which is not a matter on which a sea-officer's opinion is called for — then those ships must remain, unless Germany of her own will and volition should abrogate her right to their construction: and other nations must also build ships that are unnecessarily large. But they need go no further. They can stop at 10,000 tons. They need not impose the burden of unwanted 20,000, 30,000 and 35,000 ton ships.

The German vessels are extremely costly. Forced by the treaty to a rigid limit of size and numbers, the able German officers and designers have employed every means to compress the utmost fighting power within the 80,000 tons of their *corps-de-bataille:* hence they cost their taxpayers not far from twice as much per ton as ships in which "normal" methods and materials are employed.[12] There is, however, a course which I venture to think deserves serious consideration — financial limitation of the cost per ton. Financial limitation, like arithmetical and all other artificial forms of *quantitative* limitation, is inconsistent with the principle of security, as I have endeavored earlier to show. But *qualitative* financial limitation, limitation to the cost per ton of the unit, is not open to that strategical objection. Unlike the

[10] The factor of "taking punishment" opens up some peculiarly interesting points. Before they criticize me on this point, I commend to my critics a careful examination of the experience of large ships and small in the late war, and in other recent wars.

[11] A "battleship" of 6,500 tons would probably cost something in the neighborhood of 7½ million dollars. A battleship of today (and of the future, unless this matter is properly thrashed out) costs 35 million dollars — or a good deal more — certainly more if some of the costly methods of construction recently adopted and employed in smaller vessels are applied to the larger ones.

[12] The new methods, if extended to the great ships of today, will raise the cost of those monstrosities to the region of 100 million dollars apiece.

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quantitative limitation, it affects all nations alike, or (for I know costs differ in different countries) sufficiently alike to render differences negligible. For wars are not, as some appear to suppose, won because one fleet mounts a few more or bigger guns than another — Solebay, St. Vincent, Trafalgar, Tsushima, and Jutland are eloquent witnesses of this truth. They are won by more competent commanders. In the long run it is the human element which dominates fighting at sea, as it does on land; and to haggle over attempts to obtain a meticulous arithmetical equality is no less to waste time, to create ill-feeling, and to increase expenditure, than it is to neglect the well-established lessons of experience.

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LABOR UNDER THE SOVIETS

By Paul Haensel

WHEN the Soviet Government boldly adopted the Five Year Plan it had three aims in view: first, to bring about the rapid industrialization of Soviet Russia — a natural desire for a government bent on socializing a peasant country; second, to liberate the country from foreign dependence and to make it economically self-sufficient; third, to increase the military strength of the Red Army. The Plan also had important international aims, and these constitute a further reason why no effort has been spared to carry it to fulfilment.[1]

In spite of many failures in both quality and quantity of achievement, the results of the Five Year Plan have as a whole been quite remarkable. To no small extent this has been due to the enthusiasm of the workers in the state factories. But the chief cause of what progress has been made is to be found in the drastic exploitation of the working class and in the pressure which has been put on all other classes. The methods applied by the Soviet Government in dealing with labor would be impossible in normal times in any civilized democratic country.

The system of piece-work wages has been introduced wherever possible. This system is contrary to all socialistic conceptions, but the Soviet rulers realized very well that here they had a powerful incentive with which to increase the productivity of labor, and an important means of swelling the profits of the employer, i.e. the state. A special order signed by the praesidium of the Central Council of Trades Unions and the Supreme Council of National Economy on December 13, 1930, seeks "to regulate wages by encouraging laborers to increase the quality and output of their labor, by means of the utmost possible application of piece-work wages and by forcing skilled laborers (or unskilled laborers where there is a lack of such) to remain in their respective factories."

Means like these stimulate the workers' zeal to increase production; on the other hand, the quality of production is lowered and the workers' health suffers. Overstrain is very noticeable among Soviet workmen and the administrative personnel.

[1] Cf. my recent book, "The Economic Policy of Soviet Russia," published in English by P. S. King and Son, London, 1930, 200 pp., and in German by J. C. B. Mohr, Tübingen, 1930, under the title "Die Wirtschaftspolitik Sowjetrusslands."

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In order to spur the workers on to still further efforts, special "shock brigades" of experienced communist workmen are sent on tours to the various factories. They work as foremen and "stimulate the enthusiasm" of the rest. Experienced and highly paid foreigners are also employed for the purpose of increasing the efficiency of the Soviet workmen. Competitions, too, are held in all factories, and special premiums, gifts and decorations are awarded to those who produce the most. The names of inefficient or delinquent workmen are exhibited on special blackboards or published in the newspapers for public derision.

Needless to say, such devices as these are condemned by all traditional trade-unionist practice.

The production of the Soviet factories has been greatly increased by the introduction of two measures which — it should be noted — were not foreseen at the time the Five Year Plan was inaugurated, namely, the abolition of Sundays and the adoption of the so-called uninterrupted working week, and the introduction of a seven-hour working day with two or three shifts. Thus the Soviet factories work three hundred and sixty days a year, and twenty-one hours (three shifts of seven hours each) a day. Under this system every laborer gets a day of rest after four days of toil, but the work at a factory never stops. It is interesting to note that under the present arrangement the Russian workman works on the average ten days more in the year than he did during the Tsarist régime, when Sundays and many holidays were observed and factories closed. With the introduction of the uninterrupted week, the clerical staff and employees in institutions were ordered to work one hour more than was the case before, viz. seven hours, and no increase of staff was allowed.

The seven-hour working day was introduced in October 1929 and will be applied to 92 percent of all workmen in state factories in 1931. It was a clever measure to increase the profits of the state factories, because three shifts of seven hours each insure a higher yield on capital investments and reduce the overhead charges. The main reason why the government added a third shift, however, was to absorb the large number of unemployed. On April 1, 1930, some 1,300,000 unemployed were registered, in comparison with a total number of workmen in all state factories of only 2,500,000. By adding a new shift the government achieved a considerable saving on the unemployment doles.

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Nevertheless, the system has its dark spots. In particular, it entails the introduction of night work and, consequently, lower efficiency. A special investigation by the shock brigades of the Central Council of Trades Unions in the Moscow and Leningrad factories revealed an "absolutely inadmissible attitude of the night shifts of workmen towards their factories. The workmen arrive too late for work, the machines are kept idle, the workmen sleep during working hours, and such a state of affairs is now usual."[2]

In order to eliminate the constant friction which existed between the factory managers and the Communist Party "cells" (which exist in each organization) or the trade unions, it has been ordered that henceforth all authority and responsibility within a factory shall rest exclusively with the manager, who is entrusted with the selection of the technical and administrative staff. "On appointing or discharging any worker, the management shall be bound to take into consideration the opinion of the Communist Party or the factory trade-union representatives, which in the event of disagreement concerning any appointment or dismissal shall be entitled to appeal to a higher body of the Party or trade union. But such a course shall not invalidate the enforcement of the management's decision." This principle of the independence of the factory management, adopted at the end of 1929, has since been applied with increasing rigor. One of the reasons for poor efficiency in the Donetz coal mines is stated to be that the principle of "one man power" has not been fully adopted there, and orders have been given that it is to be adhered to strictly in the future.[3]

The execution of the Five Year Plan involves an enormous investment of capital. The necessary funds are accumulated by means of high taxation, compulsory loans and artificially high profits in state enterprises. The state factories are monopolistic. The prices of manufactured goods are kept at a very high level (computed at about 250 percent of the prices prevailing in the international market [4]), while wages and salaries are low. The average wage of a workman in a Russian factory today amounts to 3 rubles 10 kopeks a day. This is nominally about $1.60, but the purchasing capacity is much smaller; according to the com-

[2] *Izvestia*, October 20, 1930.
[3] *Izvestia*, December 17, 1930.
[4] See *Kontrolniye Ziffri*, 1928–29, Moscow 1929, p. 280.

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putation of a German economist, it is equivalent to about 3.50 Reichsmarks, or 87 cents a day.[5]

The great pressure exercised to increase production, the low wages, the inadequate and unbalanced food supply and the bad housing conditions resulted in 1930 in a "catastrophic" flight of workmen from the factories. During the three summer months of last year the Leningrad factories engaged 225,000 new workmen and during the same period 134,000 workmen left. In some cases the turnover reached 125 percent. Not only workmen, but engineers and technicians began to leave the factories.

The government ordered drastic measures against all these "deserters." A general mobilization of specialists has now been proclaimed: engineers who do not remain at work or do not accept positions offered by the state are to be criminally prosecuted.[6] Mobilizations of this kind, which hardly differ from mobilization in time of war, have been applied many times lately to engineers, teachers, railroad workers and students. By an order of October 4, 1930, not less than 50 percent of the students in all mining schools were commandeered for work in the Donetz mines, and their period of study has consequently been prolonged for one year. On January 29, 1931, all students in agricultural institutes and schools were mobilized for the spring sowing campaign.

The latest and most drastic mobilization was that of all railroad workers in January 1931: all who were ever employed in any sort of railroad service, including porters, have to appear before the labor boards for assignment to railway work. Criminal proceedings will be taken against defaulters and against employers who conceal such workers. Also, the Central Government Board of Collective Farms has recently given orders (January 1931) that the collective farms shall send laborers regularly to industry and threatens defaulters with criminal prosecution. Moreover, the government proclaimed a series of coercive measures designed to prevent the large labor "turnover" and to punish those who refuse the jobs offered to them. In the aggregate, these various measures amount to the introduction of

[5] Cf. Berkenkopf, in Schmoller's *Jahrbuch*, August 1930, p. 35. Soviet leaders frequently emphasize the government's expenditure of large sums for "welfare" projects. A large item is the expenditure for creating new dwellings, which represents ordinary investment (it is ridiculous to count *capital* invested in workmen's dwellings in the wages' fund). Workmen do not get free housing; they spend on the average about 14 percent of their wages on housing, heating and light.

[6] See the official Soviet paper *Za Industrializatsiyu*, September 25, 1930.

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forced labor. All unemployment doles have been abolished since October 1, 1930. Instead of labor exchanges, special boards for recruiting workmen have been organized.

The government has also attacked the labor problem from other angles. A law passed on December 15, 1930, prescribes: 1, factories are allowed to engage workmen or clerical employees only through the governmental boards whose duty it is to recruit and assign labor; 2, skilled laborers and specialists engaged in occupations alien to their qualifications are to be employed in the work for which they are fitted; 3, wilful disorganizers of production, i.e. those who leave their jobs without permission and for no reasonable cause, shall not be assigned new jobs in industry or transport for six months (which means that they will be unable to get work for that period); 4, registered candidates who refuse a job which is offered them, without giving a reasonable excuse, are to be suspended from the register for a period of not more than six months (which means that during this time they are prevented from getting a job); 5, directors who employ laborers irregularly, or in excessive numbers, or offer higher wages than prescribed, or entice laborers from other undertakings, or resist the orders of labor boards with reference to the transference of employees to other places, shall be punished by their respective authorities or the labor boards; 6, workers in the mining, metal, chemical, textile and building materials industries, in transport, and in important new construction undertakings, who have worked not less than two years, beginning on November 1, 1930, shall receive for each year an additional leave of three days or an equivalent remuneration in cash.

In the new regulations issued by the Labor Commissariat, workmen and other employees who systematically disregard discipline are to be dismissed without warning and without payment of the regular two weeks' dismissal compensation; moreover, it is forbidden to employ them in industry or transport for the next six months. And not only shall wilful disorganizers of discipline be dismissed, but a criminal prosecution shall be started against them. The administration is given the right to fine a delinquent workman or to withhold his wages either for the time lost or to compensate for spoilage of materials or for using raw materials which are defective if he has not informed the administration beforehand about them. Workmen leaving a factory or dismissed before the lapse of a year shall have their wages cut

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for each day of leave they enjoyed during the year.[7] Wilful disorganizers include men who leave a factory without waiting for the appointment of a substitute.

Another regulation (published December 1, 1930) binds to their respective jobs all building laborers engaged in construction work. Labor deserters, "fliers" and "graspers" (those demanding excessive wages) are not to be allowed to take up construction work or work in factories preparing building materials, but should be sent for six months for "physical mass work" (i.e. unloading, wood cutting, etc.); in case of their refusal to do such work, their names must be erased from the registers of the labor boards. This means they will not be allowed to get other jobs. Further, the authorities threaten workers who decline assignments with eviction from their homes — a severe threat indeed, considering the acute housing shortage in the cities.

In order to prevent "flying" from work, other drastic measures have been proclaimed. These include the introduction of black lists in all the principal factories as a means of preventing workmen who have left one factory from getting work in another,[8] and the expulsion of delinquent workers from the trade unions — a very severe measure, depriving the worker and his family of many civic rights. Those who remain at work receive special premiums and privileges, such as the admittance of their children to the universities, better housing, etc. For example, in order to induce miners in the Donetz region to stay on the job, the government promised to give each a special premium of thirteen pounds of wheat flour a month on condition that he maintained a normal output. Members of the Communist Party or Communist Youth organization, as well as peasant laborers, are from time to time "mobilized" and sent to the factories to replace "fliers." Labor Commissar Tsikhon is now urging the introduction of "behavior passports" for workmen, these to be produced whenever a man seeks employment.[9]

Railway workmen must submit to an even more drastic rule. According to a law passed on November 3, 1930, they may be punished for breaches of discipline by reprimand, by imprisonment for not more than three months with or without the deduction of 50 percent of their wages, by reduction in rank, or by

[7] Every workman has the right to a two weeks' leave once a year.

[8] This became necessary partly because some skilled workmen left their factories and reappeared elsewhere as unskilled workmen.

[9] *Izvestia*, January 4, 1931.

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dismissal. These various forms of punishment are meted out to them by their respective chiefs and are executed by the G. P. U. The law expressly provides that protests shall not postpone the execution of the sentence. It should be noted that a special tribunal exists for dealing with serious delinquencies on the railways.

The new military conscription law of August 13, 1930, provides that military service for the usual two-year period may be performed in factories, and military instruction is given to such recruits during their employment. On occasion they may remain voluntarily for further work after the two years are up, serving as military instructors. On the other hand, recruits who by reason of their class status are deprived of the right to serve "with arms" in the Red Army (traders, clergymen, etc., and members of their families) are to be assigned compulsory work for two years under the direction of the labor boards.

Extensive use is now being made of compulsory work in order to maintain the supply of different commodities. Wherever necessary, the population, chiefly peasants, are compelled to appear for work with horses and vehicles. This procedure is followed, for instance, in the transportation of timber, wood for fuel,[10] hay, rafting, and so on.[11]

It should be borne in mind also that the Soviet Government uses another powerful weapon to compel the population of certain districts to do "prescribed work," namely the threat not to supply the district with manufactured goods or with necessities such as salt and sugar. All railways and other means of transportation are in the hands of the government, and no private automobiles exist; outside supplies therefore depend entirely on the government. In this way the government is able to force the population into submission without having actually to send military detachments to enforce its orders.

[10] The *Izvestia* of December 17, 1930, describes the "catastrophic situation" in wood cutting in central Russia. The reports blame the *kulaks* (well-to-do peasants) who "in many districts scarcely get any 'hard assignments' (in wood cutting and transportation) and become so insolent that they beat and kill poor wood cutters." It is urged that the *kulaks* be given "hard assignments" wherever this has not yet been done and that no mercy be shown in dealing with them.

[11] Cf. the decree issued by the Council of Labor and Defense on September 21, 1930, on hay collecting. In October 1930 the situation with regard to wood rafting became critical. The government issued orders "to bind" (*zakrepitj*) all laborers engaged in this work till the end of the rafting season; to engage as helpers, by means of "compulsory paid work," all the able-bodied population along the rivers where wood rafting is done; and to insist on the "utmost discipline" in dealing with absenteeism. The administration was charged "with full responsibility" and the G. P. U. was directed to help the management (*Izvestia*, October 6, 1930).

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The most severe pressure, however, is that which springs from fear. Intimidation takes every conceivable form. Every official knows that if any government plan or order is not fulfilled he may be held responsible, whether or not he is directly to blame. Officials very often are simply scapegoats for the governmental blunders. Nobody is safe in this respect, and for the slightest misadventure people directly or indirectly responsible are shot, imprisoned, exiled, starved or humiliated. There is no redress, and of course escape by emigration is impossible. By ordinary standards this amounts to a refined system of slavery.

In the matter of grain collection, all well-to-do peasants (as a rule, those whose produce is valued at over $300 a year are considered *kulaks*) receive orders every year as to the amount of grain and other agricultural products which they are to turn over to the government. This is in addition to the regular heavy taxes which they have to pay. In case they do not fulfil the requirements they undergo very severe punishment. The following item is taken from a list of innumerable similar cases related in *Izvestia* on October 30, 1930:

"In the village of Denissovka three *kulaks* who wilfully withheld their assignments of grain have been sentenced to three, five and ten years in jail, in addition to being fined. In the Lebedinsky district several *kulaks* have been fined. In the Gadiach district the local Soviet has confiscated the property of several *kulaks* who did not surrender grain."

It might be noted at this point that for murder of father or mother the highest penalty in Soviet Russia is ten years' imprisonment. For withholding grain the punishment may be more severe: in addition to ten years in jail the delinquent may be sentenced to a heavy fine and have his property confiscated.

There can be no doubt that convict labor exists, particularly in the northern timber districts of European Russia, but it is extremely difficult to get reliable details. However, Sir Hilton Young, M. P., recently published [12] the story of three Russian prisoners who escaped from the Archangel timber camps and who described the appalling conditions under which the prisoners work there. In a letter in the London *Times* on December 31, 1930, these reports were confirmed by an English eyewitness.

[12] *The Times* and *Daily Telegraph*, December 16, 1930. Conditions in the Soviet concentration camps were described by a former G. P. U. official in the *New York Times*, January 31, 1931. The number of prisoners in these camps was given as 662,200.

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"These men," he remarks, "are certainly not convicts as civilized people understand the word, nor are they of convict type. They are slaves pure and simple."

Persons sentenced to forced labor have been used in lumber and forestry work since 1929. This is confirmed by the Soviets themselves in an Order, issued June 1, 1929, by the Commissariat of Agriculture (from which the following paragraph is taken), quoted in the recent British Blue Book[13] on the subject:

"The present instructions are the first attempt to utilize on timber and improvement work the labor of persons sentenced to forced labor without detention under guard. Considering this experiment of exceptionally great importance, the People's Commissariat of Agriculture instructs all agricultural organizations to begin forthwith from the current season to explore all existing possibilities of utilizing the labor of persons sentenced to forced labor for forestry and improvement work of a mass character and to establish for this purpose permanent relations with the Bureau of Forced Labor."

The whole economic system of Soviet Russia today is based on pressure and forced labor. No doubt great masses of workmen earnestly believe, or are made to believe, that they will achieve a true and happier socialistic state in the near future. Present sufferings are always described as temporary and it is promised that the Communist Golden Age will dawn on that not-distant day when the capitalist régimes existing in the rest of the world fall in hopeless disaster. But there is no victory of socialistic methods of "planned economy" over the "chaotic system" of capitalist production. There is merely a display of fanatical brute force.

[13] "Russia No. 1 (1931): A Selection of Documents Relative to the Labour Legislation in Force in the U. S. S. R." Cmd. 3775.

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AFTER TARIFFS, EMBARGOES

By Herbert Feis

AMERICA'S attainment of financial power coincided with epochal achievements in science and combined to create in the American imagination a new sketch of destiny. By Lindbergh's flight the world seemed re-spaced; the miles that divided men were shortened. The instantaneous transmission first of the voice, then of the living photograph, were almost the same as the handshake between men meeting and looking into each other's eyes. Our world is small, these things seemed to prove; all people will, inevitably must, traffic with each other. For ten aggressive years, American finance, American management and engineering skill, American sales effort, exerted themselves outside the borders of the United States. They sought growth and profit in utilizing the new discoveries of science, and in developing the system and forms of international commercial intercourse.

We invested fifteen billions of dollars in foreign countries — an investment favored by the calculation that in supplying the means of improving the economic conditions of foreign countries we would make richer customers, and that in bringing under command natural resources stored abroad the American people would benefit in common with others. This employment of capital naturally fostered a foreign commerce that grew rapidly. By 1929 our foreign commerce exceeded $9,500,000,000; we drew from other countries $4,400,000,000 of needed goods, and sold to them $5,200,000,000. These totals were two and a half times as great as they had been before the war. Though they represented but a minor fraction of the sum total economic activity within the United States, they formed very important fractions of the total external commerce of other lands. To illustrate, sales to the United States composed more than one third of the total foreign sales in 1928 of Brazil, Canada, Cuba, Chile, Colombia, Mexico, Japan, Peru and the Philippines.

Nurtured by the Federal Reserve System, there grew up a capacious acceptance market to finance cheaply our growing foreign commerce. Subsidized in some branches by our government, American shipping interests built new ships to carry the increasing loads and travel. Our experienced construction com-

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panies like J. G. White, Ulen and Company, Stone and Webster, learnt how to work with Spaniards, Mexicans, Greeks and Persians. American corporate energy laid out and systematized the stages of fast air travel between New York and Buenos Aires; the American Government gave air mail subsidies so that blueprints and commercial documents could be conveyed with speed. Our cities were connected by telephone and radio with most of the capitals of Europe and South America and with the more distant Australian and Asian continents.

We loaned, traded, built, and established lines of intercourse. Now we are stopped in fear and disillusionment; we regard with some unhappiness the connections with the outer world that are so troublesome; we should like to sink back into ourselves and escape the difficulties of leadership in the international economic community, as we have refused the responsibilities in the political sphere.

The anxieties which beset us are in part a consequence of our own blunders. The international debt payments to us have been a strain on other national economies and made them collapse more easily into the present general depression. A substantial part of our foreign financing was ill-considered. Loans too easily received were used to sustain public and private economic activity that failed as soon as the supplies of new funds ceased; other loans sustained military and political rivalries which paralyze men's planning for the future. Large capital sums were applied to develop natural resources with too great assurance that the world would at once require them. Our excited stock-exchange speculation drew from other lands capital needed there. None of these results came from deliberate choice; they were evil incidents of a too rapid economic growth.

Not so the results of the tariff act we passed in 1930. That action was an outright contradiction of the interests and purposes to which we seemed to be committed. It impoverished groups of foreign producers, who were our customers and whose efforts in many instances we had directly or indirectly financed. It closed our market in whole or in part to goods produced by American interests operating abroad — as when it blocked the movement of vegetables from Mexican farms, financed in San Antonio and transported on the Southern Pacific of Mexico. By swiftly wounding foreign industry, it intensified the fall in raw material markets from which all American producers suffered — as with

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copper, cotton, lead, hides and cereals. Industrial depression abroad weakened the public credit of many of the governments that are our debtors; so that now we wait anxiously to see whether Brazil, Australia, Mexico, Germany can meet their debts.

But in our present disappointment and suffering we would go further. It is proposed to use still harsher measures to protect ourselves against the competition of foreign lands, to apply special restrictions, quota systems, prohibitions against their products. Imports of oil, copper, wheat are to be barred or rationed; all shipments of Russian products are to be embargoed. Still other proposals would extend the restrictions to corn, butter, tobacco, palm oil, dried beans and eggs. For this last step in the renunciation of an intercourse which we find too trying, the papers are almost drawn. We would like to seek in isolation a security that seems lost. But interests established in the past arise to plague us. The foreign securities we bought, we still own. The foreign properties we manage still depend upon our purchases. The capacity of our farms and many of our industries still exceeds the amounts we are likely to consume. Our banks, our merchant marine and ports, our cables, ships and airplanes all need traffic. We cannot with wisdom and satisfaction go farther in the attempt to live by ourselves. Our own interests and circumstance make the application of new restrictions unwise and costly.

The embargoes placed upon Russian products must be considered apart from the others that are proposed. The Secretary of the Treasury has imposed an embargo upon lumber and pulpwood produced in four districts in the north of Russia; and decisions as regards other products are pending. A dozen bills have been brought into Congress, having as object the prohibition of some or all imports from Russia. The action of the Treasury rested on Section 307 of the 1930 Tariff Act which bars out all goods made in whole or in part by convict or forced labor — the labor in this case of political exiles confined in the prison camps. The protection of American industry against the competition of goods so produced is the chief argument of the proponents of the broader measures. Though Russian commerce has during 1930–1931 been of sustaining benefit to various American industries (as for example those producing automobiles, tractors and agricultural implements), and though our action will very likely lead Russia to retaliate against American goods, the American deci-

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sion may be sound. But the official reason given is perhaps not as convincing as other reasons which exist. The Soviet Government, for one thing, denies the state of facts from which the Treasury Department drew its conclusions. All the timber exported by the Soviet Union, the chairman of the official Soviet agency has declared, is produced "on conditions established by collective agreements between the trade unions representing the workers and the state timber-producing trusts." But it is not necessary to argue about these facts. All Russian exports, whether produced by free or forced labor, present an unusually troublesome problem to the outside world. They are exported only through the official government foreign trade monopoly which (in consultation with other government agencies) can set the prices where they wish, and modify them as they wish. Ordinary computations of economic cost need not control their decisions. Such state trading the private producer cannot be expected to combat successfully — whether it be the completely organized state trading of the Soviet Government, or emergency dumping as it has often been proposed that the Farm Board do with the wheat which it controls. The state trading organization can, because of its necessities or by deliberate intention, destroy industries, built up by patient labor and investment over years, even though those industries are well adjusted to their economic environment and merit survival on ordinary economic grounds. Private producers in such industries have a right of protection against state trading which will become manageable only when and as it is made the subject of international understanding. These are the special grounds and reasons justifying action in the Russian case. The difficulty is certain to persist until some understanding can be reached with Russia regarding its method of disposing of its exports.

No problem of special state competition enters into the sufferings faced by other American industries now seeking formidable government protection. The demand for an embargo, or quota restriction, on imports of crude petroleum and refined petroleum products arises primarily because of the acute situation facing thousands of small producers in Kansas and the Southwestern oil fields. The wells (as many as 300,000, it has been estimated) which they own, represent at present the high-cost production in the oil industry. They are mainly in explored fields, and, long past the flush of their flow, are made to yield by pumping daily a small

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amount of oil. By their continuance or extinction the pocket books of many outside the operating owners are affected — thousands of oil field workers, and farmers deriving royalty or receiving lease money. They wish by prohibiting imports to bring back the price of petroleum and petroleum products to the point where production from their wells can be continued or enlarged; for proration schemes greatly curtail current production, and the operators long to extend their drillings into other areas which they hold under lease but dare not try to bring into production under present conditions. In demonstrating their case, they can quote with conscientiousness that principle sanctified by recent tariff acts — to wit, that as soon as a commodity may be more cheaply procured from abroad than it can be produced at home, the foreign product should be put out of the reach of American purchasers. To the group affected, the calculation made that Venezuelan oil may be delivered at the Atlantic seaboard at 79 cents a barrel, while the cost of mid-continent oil at the same port is $1.98 a barrel, is an imperative proof of their right to a tariff of $1.19 a barrel.

The critics of the measure have concentrated upon its domestic results and its probable ineffectiveness. They contend that the situation, in the words of Secretary Wilbur, "has been brought about through unfortunate practices, bad engineering, bad financial set-ups and over-zealous competition. . . ." Rightly they argue that all homes, industries and cities which use oil benefit from the cheapness of the available product. Rightly they point to the fact that a rise in price will stimulate further American production, cause proration limits to be raised, new fields to be drilled; as this is written, oil workers from the whole Southwest are rushing in a fighting hurry to a large new flush field in eastern Texas that has just been drilled in — a hundred wells piercing the same small circle at the same time. On the score of its domestic economic consequences alone, the wisdom of an embargo or fixed import quota is disputable. But let us look at the case in connection with the international expansion of American economic life that has occurred in the last decade.

The oil industry is itself an exporting industry — particularly of the refined products. In 1929 this country imported 78,933 thousand barrels of crude oil (mainly for use along the Eastern seaboard, or for re-shipment after refining to foreign lands) and 29,632 thousand barrels of refined oils (mostly topped oil). During

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the same year we sold abroad 26,394 thousand barrels of crude, and 126,377 thousand barrels of refined oils. The volume of the exports has risen more rapidly than that of the imports since 1921. The revival of the industry in Russia, the systematic exploitation of the Persian and Mesopotamian fields, is menacing this export business now. Self-interested foreign competing groups are alert to turn increased resentment abroad to their own advantage. If entry into the American market is stopped, and the price of crude oil raised thereby, American oil refiners will suffer losses in foreign markets; the business will go to foreign producers, or to American controlled refineries located abroad.

Further, the enterprises producing and transporting the imported oil are primarily sustained by American capital. The oil which it is proposed to bar comes from Mexico, from Colombia and Venezuela. It was for the right to produce this oil without unreasonable restrictions that our Government wrestled with the Mexican Government, causing them to revise their legislation; in Colombia we have similarly opposed legislation that would hinder American producers; while in the rotogravure supplements the pictures of the wells in Venezuela have been displayed as testimony, as high as the derricks, of what American energy and engineering technique could do in so neglected and distant a waste. Upon these actions and investments of the past we cannot abruptly turn our backs without evil consequences. If we do, the holders of oil securities may not be alone in paying the cost. In our possession are many millions of the bonds of the Mexican and Colombian Governments. With every curtailment of the oil exports their public revenues fall; with every fall in their public revenues their credit weakens. The roads they are building to bear American automobiles will have less length. Their people will buy fewer of the things our factories have expanded to produce. The past cannot be dismissed so irresponsibly: if this is not clear in the memory of the Oklahoma farmer, it remains bright in the reckoning of the Mexican or Colombian or Venezuelan public official.

Many of the elements in the copper situation are the same as in the oil situation. The high cost producers lead in advocacy of an embargo or restriction. In this industry, too, the imports come mainly from properties developed by American corporations, such as the Anaconda Copper, the American Smelting and Refining, the American Metals companies. As in the case of oil, the amounts imported have been almost always less than the

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quantities we export. Our foreign customers will certainly not buy American-produced copper, held at a price above that prevailing in other markets. The actions of the past pledge us to a policy of free interchange with foreign producers of copper. The imported metal comes from Chile, Canada, Peru, Mexico and Africa; in 1929 it amounted, in all its forms, to 487,156 tons. In the same year we shipped abroad 499,347 tons. Since we possess a great smelting and refining industry, much of the copper imported is for treatment and re-export. In Chile we have financed not only the copper and the nitrate industries, but the government, the railways, the local public utilities, the mortgage bank, and factories. Our total stake there approximates $700,000,000, of which about half is in the mining field, $250,000,000 in government loans. If our past endeavors to exploit their resources and build up their economic life are now recklessly ignored to meet an emergency, part of the cost must return upon us. In Peru, Canada, and Mexico too, American ownership in the copper producing industry is dominant, and American investment outside the industry important. In Peru, it is the Cerro de Pasco and the American Smelting companies which take the copper metals out of the ground (American capital also owns the main petroleum company). We have become substantial holders of the Peruvian government debt. American groups are now studying the surveys of another railway line that has been ceded to them. The connections between Canadian industry and our own need no demonstration nor fresh comment; nor does the readiness of Canada to strike back when struck. Mexico, whose agriculture the 1930 tariff has already much handicapped, whose oil shipments are being menaced, would certainly feel justified in completely neglecting its American debt, and in defending its exchanges by further tariff action.

Less need be said of the proposed embargo on foreign wheat — with the favoring judgment of the Chairman of the Farm Board. The American tariffs against wheat already in force keep out of this country all but a small quantity of certain varieties needed for mixing or used as feed grains; these continue to enter from Canada and elsewhere over the tariff. Wheat prices in the United States are already far higher than in world markets; the Farm Board owns and does not know how to dispose of at least 100,000,000 bushels; our once great export trade fell in 1930 to a small fraction of its former amount; the new crop will add to our surplus

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— if crop weather is normal. The gain held out to a small group of American producers is in this case small. The action would once again smite the neighbor who is busy smiting us — Canada. It would give the encouragement of imitation to plans of wheat restriction practised or under consideration elsewhere in the world, specifically in Eastern Europe and between units of the British Empire. Some countries have already taken measures as extreme as any contemplated here. In Germany, the duty on wheat for bread food is $1.62 a bushel, in France $.85 a bushel, in Italy $.87; some countries have in addition to their tariffs restricted the percentage of imported wheat that can be used. Each nation crowded against the others' barriers feels that it must keep alive all forms of economic activity within its borders. It sustains still further the farmers who are raising wheat against a falling market. The creation of the Farm Board was necessary to prevent sudden panic. But now the improvement of the wheat situation can come only through gradual liquidation, curtailment of production, opening the lanes of world interchange and coöperation.

These embargoes and restrictions are the last retreat of our own authorities, and of the foreign authorities that are also employing them, from the advanced point that international activity had reached. While American business was still extending, we became a party to an international accord which condemned their use. The United States in September 1930 ratified the International Convention for the Abolition of Import and Export Prohibitions and Restrictions. The American Secretary of State informed the League: "The American Government views with approbation any endeavor to facilitate world-wide economic relations and remove discriminatory economic measures, and has for this object signed and ratified the convention for the abolition of export prohibitions and restrictions and has coöperated with other international activities looking to the betterment of economic conditions throughout the world." Because Poland withheld its signature, so that it might better bargain with Germany, the original list of eighteen signatory states was shortened. Only Great Britain, Japan, the Netherlands, Norway and Portugal have ratified thus far, and after June 1931 each signatory may free itself from the obligation. The withdrawal of the United States would probably deprive the convention of all force.

If we impose additional restrictions upon the trade of other

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countries with us, we may expect another series of retaliations. Those who cannot dispose of the products which American capital has helped them turn into exchangeable riches, those who cannot acquire the funds to pay their debts to us, will have an easier conscience in legislating against our goods. They will resist the further squeeze which now, relying on our large measure of self-sufficiency, we threaten to make. Within their borders, too, are groups still without protection, who are ready to assert that their suffering is their country's only responsibility. The governments will be compelled to try to find domestic recompense for the employment we destroy.

Current proposals are bringing out the full meaning of the past half century of tariff history. They are revealing that when once nations give the protective tariff an important place in their arrangements, it develops an irresistible momentum. First timidly extended to protect an infant industry, to foster an occupation deemed essential for national security, the list of situations to which it may seem rightfully to apply inevitably lengthens. If one group can make its opportunity behind a tariff wall, there are always many other groups which claim the same opportunity. Every new buffet of foreign competition is made the argument for a new cushion. Soon within the country the system grows fairly general, and it becomes natural for all to assume that they have a prior right to the home market. Producers of raw materials, usually subject to world competition and the last to receive protection, find themselves handicapped by the high levels of money wages and prices created by the protection given to industry. They can then argue with a fair appearance of reason in the manner of a recent spokesman for the domestic copper industry: "Copper is the only metal of any importance that the United States Government does not protect by an import duty. There is no more reason why blister copper should be admitted to the United States free of duty than there is why pig iron should be admitted. There is no more reason why fine copper should be admitted free of duty than there is why steel bars should be so admitted. Import duties are laid against iron and steel."

The national arc of the circle becomes complete. Domestic producers claim virtually the whole of the home market. To the extent that they make their claim effective they force their countrymen to renounce the expansion of foreign commerce. For, each step taken by any country in this direction tends to force others in

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the same direction; protection in one country imparts its momentum to other countries. This arises only to a minor degree from a desire for retaliation. Political and economic necessity tends to bring it about. Each time a country loses a foreign market because of tariff action, groups within it seek to save themselves by asserting a new claim upon their own domestic market. A country — and Great Britain is in that position now — suffering from the tariff restrictions opposed to the commodities it produces feels itself under the double pressure of having its incomes forced down and having some of its people suddenly unemployed. The only remedial measure usually seems to be the further preservation of its own home market. Tariff increase follows tariff increase. The world divides into tariff sections. Such seems to be the inner logic of the tariff system as we know it. In the final stages the instruments grow more blunt and hard. Alongside of rate schedules there are imposed quota systems, restrictions, embargoes. Various other countries employ them, and we seem on the verge of doing so.

The development of the protective system to its present extreme has still further significance. It is changing the character of the state. It is the cave in which nations seek refuge from the lack of order in the international sphere and from the constant technical change in the economic one. The events of recent years — rapid price changes, financial maladjustments, technical improvement, the exploitation of previously unknown resources — have in each country brought suffering to some groups, and with suffering the threat of disorder. The government steps in to restore the balance, to make employment, to protect against the too rapid crowding of change upon change — no matter what the ultimate cost. By the use of the tariff, the embargo, subsidies, government purchases, it in reality sets the price at which various products are exchanged for others. It displaces the price mechanism of competition on which reliance has hitherto been placed for the adjustment of supply and demand. It enables industries that would have to shift for themselves in the unregulated competitive world to stay in their old places and courses.

But this use of the government's power is controlled by no five-year plan. It is influenced by votes or political bargaining power; it is dictated by a succession of emergencies. Its application is heedless of the manifold disadvantages imposed on other groups inside and outside the country, whenever special pressure

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is sufficiently strong. In a manner where it is easy for favor to supplant reason, it redistributes the incomes of the people by political means. At that point many tariff systems of the world have arrived today. The logical outcome of the present trend is the nationally isolated, government-controlled economic system.

Between this world and the world of widespread international exchange towards which American capital has been contributing so much we now hang suspended. If we adopt still more complete protective measures, bringing still further strain on foreign debtors, new disappointments to foreign producers, new anxieties to American investors, we commit ourselves to a world of embittered and secluded national states, between which capital dare not move and commerce exists weakly, on sufferance. The work of increasing our own wealth by developing that of others, for which our capital resources and engineering skill equip us, will then remain undone — the possibility wasted.

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THE PALESTINE SITUATION RESTATED

By Felix Frankfurter

THE genius of Mark Twain has recorded the common impression of travelers in Palestine sixty years ago:

Palestine sits in sackcloth and ashes. Over it broods the spell of a curse that has withered its fields and fettered its energies. Where Sodom and Gomorrah reared their domes and towers, that solemn sea now floods the plain, in whose bitter waters no living thing exists — over whose waveless surface the blistering air hangs motionless and dead — about whose borders nothing grows but weeds, and scattering tufts of cane, and that treacherous fruit that promises refreshment to parching lips, but turns to ashes at the touch. Nazareth is forlorn; about that ford of Jordan where the hosts of Israel entered the Promised Land with songs of rejoicing, one finds only a squalid camp of fantastic Bedouins of the desert; Jericho the accursed lies a moldering ruin to-day, even as Joshua's miracle left it more than three thousand years ago; Bethlehem and Bethany, in their poverty and their humiliation, have nothing about them now to remind one that they once knew the high honor of the Saviour's presence; the hallowed spot where the shepherds watched their flocks by night, and where the angels sang Peace on earth, good will to men, is untenanted by any living creature, and unblessed by any feature that is pleasant to the eye. Renowned Jerusalem itself, the stateliest name in history, has lost all its ancient grandeur, and is become a pauper village; the riches of Solomon are no longer there to compel the admiration of visiting Oriental queens; the wonderful temple which was the pride and the glory of Israel is gone, and the Ottoman crescent is lifted above the spot where, on that most memorable day in the annals of the world, they reared the Holy Cross. The noted Sea of Galilee, where Roman fleets once rode at anchor and the disciples of the Saviour sailed in their ships, was long ago deserted by the devotees of war and commerce, and its borders are a silent wilderness; Capernaum is a shapeless ruin; Magdala is the home of beggared Arabs; Bethsaida and Chorazin have vanished from the earth, and the "desert places" round about them where thousands of men once listened to the Saviour's voice and ate the miraculous bread sleep in the hush of a solitude that is inhabited only by birds of prey and skulking foxes.[1]

What would Mark Twain find in Palestine today? In eloquent language and with the full responsibility of his office, Prime Minister MacDonald recently bore this testimony on the floor of the House of Commons:

I happened to be in Palestine two years ago, and I went up and down the country. I must say that it is impossible for anyone who saw what I saw to be too extravagant in tributes to the Jewish colonisers in Palestine. I saw what was bog being turned into cultivable land. I saw the historical and very barren sides of the mountain of Jerboa being planted with olive trees. I saw the morass

[1] Mark Twain, "Innocents Abroad" (1869) pp. 607–08.

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at the foot of the mountain—a morass that runs along the valley down which the defeated army of Saul fled. It was bog. I found it being drained and recovered. One very amazing scene will convey to the House the extraordinary transformation that was going on. I was with a friend, a very well known dentist who had gone out to join this labour colony as his heart was in Palestine and in this life there was no consideration for him that was superior to the consideration that he would like to be one of those who restored the stones of Zion. I was shown into a little place, a sort of dilapidated cabin. There I found him busily engaged in conducting his professional operations in a case that demanded emergency treatment. He took off his white overall, having performed his work of mercy, and took me with him to the agricultural gang that was digging holes for the planting of olive groves. That was what was going on in Palestine. It was not only labour but spirit and generosity. University graduates were working alongside day labourers, their hands getting hardened with the stones that they were breaking in the making of those roads to which the right hon. Gentleman referred. It was a wonderful sight.[2]

The transformation of Mark Twain's Palestine to Ramsay MacDonald's is essentially the achievement of the last decade. But during uninterrupted centuries the seeds of this accomplishment have been nurtured by the most tenacious hopes and traditions of the Jewish people. On a small scale, the seeds were actually planted nearly fifty years ago. And the outbreak of the war found flourishing Jewish colonies, especially those established through the loving generosity of Baron Edmond de Rothschild.

The intensive devotion to an ideal which in its myriad daily manifestations begot the Palestine pictured by Ramsay MacDonald is little realized by the reading public. Clashes and conflicts are the staple of the press, and it is not strange that, in general, the American public has a wholly distorted view of life in Palestine. There has been intermittent political friction, besides the recent massacre. Yet the organic life of a new civilization has been steadily unfolding in Palestine since 1920. There Jews are living and laboring with a joy and ardor felt by Jews probably in no other land. The Arab masses thrive better than in any of the Arab countries surrounding Palestine. And despite the stimulation of religious fanaticism and the blatancy of the doctrinaire, Jew and Arab are collaborating in the thousand intimacies of their common life as builders of a new country.

But the extraordinary achievement now in progress in Palestine is entangled in legal and political controversy, and upon an adequate understanding of the issues will depend its ultimate solu-

[2] Hans. Deb. (Commons) Vol. 245, No. 15, 116–117 (November 17, 1930).

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tion. The elevation of lowly Arabs and a home for the Wandering Jew are at stake; the efficacy of the mandate system is involved; the peace of the world.

II

Limitations of space permit only a summary review of some of the fundamentals of the Palestine situation and preclude attention to those ramifications and details which make up its comprehensive discussion. It is idle to profess Olympic detachment about lively political issues. Indeed, even the gods of Olympus had allegiances and predilections. I speak not only as a Jew, but as one who believes in the wisdom of the policy embodied in the Palestine Mandate for the establishment of a Jewish National Home in Palestine. But I am also one of those who believe that the excesses of nationalism led to the World War and who look to a full realization of the interdependence of nations as the key to world peace. It is also pertinent to avow a strong Anglophilism — confidence in the political sagacity of the British people and in their capacity to adjust the past fabric of politics to its modern needs. It is in the perspective of this general outlook on international affairs that I try to see the problem of Palestine.

The Jewish people have, of course, a long historic connection with Palestine. Despite 2000 years of exile, the memories of the country of the Book, cherished in poetry and prayer, have continued to live in the soul of the people of the Book. "May my right hand lose its cunning, if I forget thee, O Jerusalem," sings the psalmist through the ages. For centuries, Jews the world over have prayed on Passover night, "Next year in Jerusalem." From the viewpoint of international law, the historic connection of the Jewish people with Palestine may afford a dubious prescriptive right. But it is an indispensable element in the psychological force behind Jewish longing for Palestine. And Zionism is essentially a psychological force — the passionate longing by Jews for a home of their own.

While many early attempts, founded on religious and messianic hopes, were made by Jews to return to the ancestral land, the present national movement dates from the nineteenth century. Under enormous handicaps, the Choveve Zion (Lovers of Zion) attempted small settlements in the early eighties. With the sympathetic and generous support of Baron Edmond de Rothschild, they managed to survive. To the powerful and magnetic personal-

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ity of Theodore Herzl,[3] the movement owes its great impetus. As in a flash, the Dreyfus affair revealed to Herzl, the Parisian Viennese, the spiritual implications of the racial homelessness of the Jews. He it was who in 1897 founded the Zionist Organization, in order "to create for the Jewish people a home in Palestine secured by public law." Herzl marks an epoch in Jewish history. A new spirit became alive in Jewry. Hebrew was revived as a living language and Jewish culture burgeoned. Not only for the orthodox and Eastern Jew, but for the so-called emancipated Western Jew, Palestine acquired a more vivid and immediate significance. To American Jews like Louis D. Brandeis and Julian W. Mack, Palestine revealed the opportunity for Jewry to re-establish a fruitful, unaggressive national life on a sound social-economic basis. Not merely the oppression of the Jew in unenlightened countries, but his emancipation, intensified the need and desire of the Jew, rooted as he is in history, for a homeland in his ancestral country where his traditions and culture might flourish in congenial soil.

This subtle, more impalpable, but perhaps more far-reaching aspect of the Jewish return to Palestine especially caught the mind of Lord Balfour:

> A great cultural effort within Palestine which came to an end many hundreds of years ago is going to be resumed in the ancient home of the people. It is not that I would suggest for a moment that Jewish culture in the interval between the destruction of Jerusalem and the expulsion of the Turk, that during that long period Jewish culture had ceased. Far from it. It has been uninterrupted, but it has been scattered, it has not been the culture of the Jewish people living within the traditional limits of the country which they have rendered so famous. It was the separate effort of separate communities, separate individuals, separate men of science, separate theologians, separate philosophers, scattered over the habitable globe.[4]

The World War unexpectedly hastened the process of establishing a homeland. From the beginning, Jews looked to the realization of their national longing through international agreement as one of the consequences of the war. The championship of small nationalities by the Allied and Associated Powers and the mood of idealism which supported the war, admirably harmonized with Jewish effort to regain inner integrity for the Jews in the only land they could regard as their own. Great Britain's generous attitude towards Jews, and her long, active interest in the aims of

[3] See Jacob de Haas, "Theodore Herzl" (1927).
[4] The Earl of Balfour, "Speeches on Zionism" (1928) pp. 76–77.

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Zionism, the sway that the Old Testament and thereby Palestine exercised over British imagination, the link that Palestine serves between East and West, all combined to make Great Britain the special sponsor of Jewish hopes. It is sheer untruth to suggest that Great Britain espoused the Jewish cause to enlist Jewish finance on the Allied side. The recently published diaries of Edwin S. Montagu again remind that the only opposition within the British Government to the support of the Jewish cause came from its Jewish member. He was representative of the rich and powerful Jews who opposed Zionism, which was a movement of the common people.

Barring the return of Belgian territory and the restoration of Alsace-Lorraine, no arrangement that came out of the war was more openly arrived at than the provisions for securing the establishment of a Jewish National Home in Palestine. Publicly, not secretly, with the consent of the Allied Powers and of the President of the United States (subsequently approved by a unanimous Congress) and not by covert bargaining, Great Britain called the whole world to witness the following undertaking:

> His Majesty's Government view with favor the establishment in Palestine of a national home for the Jewish people, and will use their best endeavors to facilitate the achievement of this object, it being clearly understood that nothing shall be done which may prejudice the civil and religious rights of existing non-Jewish communities in Palestine or the rights and political status enjoyed by Jews in any other country.

This famous Balfour Declaration of November 2, 1917, was a response to the problems of world Jewry. It was not merely a pledge to the fraction of the Jewish people who would actually settle in Palestine, but to Jewish consciousness everywhere. It was to be a national home "for the Jewish people," to be made possible through the generous support of Jewry throughout the world. In a formal document, dated February 3, 1919, the Zionist Organization submitted to the Peace Conference its program for effectuating the Balfour Declaration. The Arab delegation at the Peace Conference was familiar with the specific Zionist proposals and through its chief, Emir Feisal, gave them formal approval:

> Our deputation here in Paris is fully acquainted with the proposals submitted yesterday by the Zionist Organisation to the Peace Conference, and we regard them as moderate and proper. We will do our best, in so far as we are concerned, to help them through: we will wish the Jews a most hearty welcome home. . . . We are working together for a reformed and revived Near East, and our

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two movements complete one another. The Jewish movement is national and not imperialist. Our movement is national and not imperialist, and there is room in Syria for us both. Indeed, I think that neither can be a real success without the other.[5]

A mandate incorporating the Balfour Declaration and implementing it, was entrusted for execution to Great Britain, as mandatory, by the Allied Conference at San Remo on April 25, 1920. Since the Mandate recognized Great Britain not as conqueror but as an international trustee, the Mandate required approval by the League. The Council of the League gave such approval on June 24, 1922; and by the Palestine Convention of December 3, 1924, between the United States and Great Britain, the United States formally recognized the Palestine Mandate.

III

The Mandate explicitly recited the Balfour Declaration and charged the mandatory with putting it into effect. Thus was the Balfour Declaration made part of the law of nations, and thereby the establishment of a Jewish national home became an international obligation. Since non-Jews also dwelt in Palestine and Jews dwelt also in other lands, the Balfour Declaration and the Palestine Mandate, out of an abundance of caution, put into words what in any event would have been clearly implied. The duty to facilitate the establishment of a Jewish national home was not to affect the status of Jews in other lands, nor was it to prejudice "the civil and religious rights of existing non-Jewish communities in Palestine." The presence of an existing Arab population of course made the establishment of a Jewish national home more difficult than if Palestine had been wholly empty. The difficulties of the undertaking were, however, fully canvassed before Declaration was made or Mandate issued; the undertaking was assumed with full knowledge of its implications.

We are told of broken promises to the Arabs.[6] Whatever promises may have been made in regard to the great Arab provinces, Arab claim to the small and unique territory of Palestine rests apparently on a letter, dated October 24, 1915, from Sir Henry

[5] The full text of the Feisal letter was printed in the *New York Times*, March 5, 1919; for the entire correspondence between Emir Feisal and the author, see *Atlantic Monthly*, Oct. 1930, p. 49.

[6] "Of all the charges made against this country I must say that the charge that we have been unjust to the Arab race seems to me the strangest. It is through the expenditure largely of British blood, by the exercise of British skill and valor, by the conduct of British generals, by troops brought from all parts of the British Empire — it is by them in the main that the freeing of the

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McMahon, then High Commissioner in Egypt, to the Sherif of Mecca, who became King Hussein of the Hejaz. Both Sir Henry and the British Government have formally declared that Palestine was excluded from an independent Arabia:

> That letter is quoted as conveying the promise to the Sherif of Mecca to recognise and support the independence of the Arabs within the territories proposed by him. But this promise was given subject to a reservation made in the same letter, which excluded from its scope, among other territories, the portions of Syria lying to the west of the district of Damascus. This reservation has always been regarded by His Majesty's Government as covering the vilayet of Beirut and the independent Sanjak of Jerusalem. The whole of Palestine west of the Jordan was thus excluded from Sir H. McMahon's pledge.[7]

While the existing population is predominantly Arab, Palestine, it must be remembered, is not and never has been a distinctively Arab country. By the deepest associations it is a land sacred to Moslems, Christians and Jews. In varying numbers, all three dwell therein. Jerusalem, even before the war, had a small majority of Jews. No wise friend of Arab aspirations would seek to charge the Arab with responsibility for composing the delicate religious and racial problems in Palestine, or to impose on Arab rule the intricate task of the inter-racial government in Palestine. Similarly, the requirements of Palestine exceed the allowable bounds of Jewish control. But authoritative Jewish demand is not for a Jewish state; it does not ask the right to govern others. Jews desire only the opportunity of national development within their ancestral land. What kind of polity will eventually emerge from the interplay of the two dominant cultures and races in Palestine, further complicated by Protestant and Catholic Christian influences, what place such a polity may assume in the British Commonwealth of Nations or in a possible federation of eastern peoples, no man is shrewd enough to foresee. Wise statesmanship will abstain from dogmatic prophecy about the future and will not seek to imprison the future by doctrinaire formulas drawn from the past. In politics as in nature there are

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Arab race from Turkish rule has been effected. And that we, after all the events of the war, should be held up as those who have done an injustice, that we, who have just established a king in Mesopotamia, who had before that established an Arab king in the Hejaz, and who have done more than has been done for centuries past to put the Arab race in the position to which they have attained — that we should be charged with being their enemies, with having taken a mean advantage of the course of international negotiations, seems to me not only most unjust to the policy of this country, but almost fantastic in its extravagance." The Earl of Balfour in the House of Lords on June 21, 1922. "Speeches on Zionism" (1928) pp. 57–58.

[7] Cmd. 1700 (1922) p. 20.

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organisms, and in the daily experiences of life they work out their own particular forms and destiny.

But on one aspect of the post-war Palestine situation there can be no doubt: protection of the non-Jewish population assured by the Palestine Mandate was not intended to eviscerate the positive, creative obligation of the Balfour Declaration which the Mandate wrote into international law. That obligation is defined with great particularity in the Mandate, and all informed discussion regarding Palestine affairs must be anchored in its provisions. However dry the terms of the formal text may be, commentary without them becomes confused, distorted, or meaningless. These are the essential parts:

The Mandatory shall be responsible for placing the country under such political, administrative and economic conditions as will secure the establishment of the Jewish national home, as laid down in the preamble, and the development of self-governing institutions, and also for safeguarding the civil and religious rights of all the inhabitants of Palestine, irrespective of race and religion. (Article 2)

An appropriate Jewish agency shall be recognised as a public body for the purpose of advising and co-operating with the Administration of Palestine in such economic, social and other matters as may affect the establishment of the Jewish national home and the interests of the Jewish population in Palestine, and, subject always to the control of the Administration, to assist and take part in the development of the country.

The Zionist organization, so long as its organisation and constitution are in the opinion of the Mandatory appropriate, shall be recognised as such agency. It shall take steps in consultation with His Britannic Majesty's Government to secure the co-operation of all Jews who are willing to assist in the establishment of the Jewish national home. (Article 4)

The Administration of Palestine, while ensuring that the rights and position of other sections of the population are not prejudiced, shall facilitate Jewish immigration under suitable conditions and shall encourage in co-operation with the Jewish agency referred to in Article 4 close settlement by Jews on the land, including State lands and waste lands not required for public purposes. (Article 6)

The Administration of Palestine shall take all necessary measures to safeguard the interests of the community in connection with the development of the country and, subject to any international obligations accepted by the Mandatory, shall have full power to provide for public ownership or control of any of the natural resources of the country or of the public works, services and utilities established or to be established therein. It shall introduce a land system appropriate to the needs of the country, having regard, among other things, to the desirability of promoting the close settlement and intensive cultivation of the land.

The Administration may arrange with the Jewish agency mentioned in Article 4 to construct or operate, upon fair and equitable terms, any public

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works, services and utilities, and to develop any of the natural resources of the country, in so far as these matters are not directly undertaken by the Administration. Any such arrangements shall provide that no profits distributed by such agency, directly or indirectly, shall exceed a reasonable rate of interest on the capital, and any further profits shall be utilised by it for the benefit of the country in a manner approved by the Administration. (Article 11)

But the critical reader may well ask, what is meant by "Jewish national home?" A leading authority gives this answer: "A national home connotes a territory in which a people, without receiving the rights of political sovereignty, has, nevertheless, a recognized legal position and receives the opportunity of developing its moral, social, and intellectual ideals."[8] The British Government itself, in its basic statement of Palestine policy in 1922, thus defined its conception of the national home:

When it is asked what is meant by the development of the Jewish National Home in Palestine, it may be answered that it is not the imposition of a Jewish nationality upon the inhabitants of Palestine as a whole, but the further development of the existing Jewish community, with the assistance of Jews in other parts of the world, in order that it may become a centre in which the Jewish people as a whole may take, on grounds of religion and race, an interest and a pride. But in order that this community should have the best prospect of free development and provide a full opportunity for the Jewish people to display its capacities, it is essential that it should know that it is in Palestine as of right and not on sufferance. That is the reason why it is necessary that the existence of a Jewish National Home in Palestine should be internationally guaranteed, and that it should be formally recognised to rest upon ancient historic connection.[9]

If words have meaning, if a purpose clearly expressed is not a sham, then the obligation of Great Britain under the Palestine Mandate is to exert her active endeavors towards the promotion of those economic, social and cultural forces which, in their combined manifestations, constitute what we call a nation. A nation means people, and land on which to toil and live. A national home for the Jewish people in Palestine implies something wholly different from individual and isolated Jews living as they had lived or might live in Poland or Rumania. Land, the Jews may own in other countries; industries, they may acquire in other lands; but an integrated national life — a well rounded civilized society — is the very essence of the Palestinian home.

[8] Norman Bentwich, Attorney General of Palestine, "The Mandate for Palestine," in "The British Year Book of International Law" (1929) p. 139.

[9] Cmd. 1700 (1922) p. 19.

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IV

Supported by world Jewry, the Jews in Palestine have made notable progress in building their homeland. They have poured treasure into despoiled and neglected soil. They have drained pestilential swamps, and the conquest of malaria has served the Health Committee of the League of Nations as an object lesson for other countries. Hillsides once bleak have been reafforested and now sustain life. Sand dunes have been turned into a city and countryside sterile for centuries again blossoms with biblical glory. Above all, with love the Jews have reclaimed the land. They have introduced flourishing industries, harnessed the Jordan, and are about to bring forth vital substance from the Dead Sea. They have created a center for higher learning, for science and the systematic quest of wisdom.[10] And all this has brought great benefit to the Arab masses, who thrive and multiply as do not their brethren in neighboring Arab lands.

Reliable estimates place Jewish investment in Palestine since the Balfour Declaration at $50,000,000. While much of the capital thus imported into the country has been directly applied to Jewish settlement, necessarily it has widened markets for Arab products and vastly increased the resources tapped for taxation, which benefits the whole country. While the Jews at present constitute about one-sixth of the population, they contribute directly about one-third of the Palestine revenue. If indirect taxes, particularly for railway, post and telegraph were included, their burden of taxation would be about forty percent of the whole, without taking into account the extensive health service of the Jews, which elsewhere is a charge on government, and inures to the benefit of Arab as well as Jew.

These items, however, hardly convey the enveloping significance of Jewish effort to Palestine. Despite the heavy share of taxation borne by the Jews, the expenditure of the revenues operates disproportionately in favor of the non-Jewish population. For example, the Government grant-in-aid to Jewish schools is based on the proportion of Jews in the adult population, which is only about eighteen percent, while Jewish schoolchildren are about forty percent of the total school population.

[10] "Arab scholars can be found working in the great library of the Hebrew University, while the study of the Arabic language and civilisation forms one of the chief subjects of study at this University." Albert Einstein, "About Zionism" (1930) p. 59.

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Although the Jewish health budget about equals governmental health expenditure, the Government contributes relatively little to the Jewish health service. On the other hand, Jewish medical work is an important ameliorative influence among Arabs. In places like Safed, where no hospital is maintained by non-Jewish bodies, or like Hebron and Tiberias, where such accommodation is inadequate, a large part of the Arab population receives treatment at Jewish hospitals. At Safed, twelve percent of the patients admitted to Jewish hospitals were Arabs; and of the out-patients at Tiberias and Hebron, the Arabs were seventeen and seventy percent respectively. The extensive draining of malarial swamps was Jewish work; their profound benefits are Palestinian. "The Arab population," reported the High Commissioner in 1925, "has not been slow to appreciate the significance and benefits of such work."

But there is a type of Westerner who romanticizes the wretched degradation of the Holy Land as Mark Twain saw it. To the fleeting eye of an occasional Western traveler, the squalor of the fellaheen appears as picturesqueness, and his spiritual enslavement looks like inner peace. There are those who resent the Jew's coming into Palestine fundamentally because of the improvements which have followed in his wake. He represents the invasion of modern ideas into the ancient fabric of the Near East. There is undoubtedly the travail of readjustment which the most ancient civilizations are now undergoing. "Such are the advances of civilization," writes Sir Martin Conway. "The momentum of the West thus carries it Eastward. The keen, hustling, modern man will salute the change with joy. We who love the simple Oriental life in its beautiful setting may be pardoned if we regard with a sigh its pulverization beneath the wheels of progress. The change is inevitable. It is a mere accident that Jews should happen to be its agents."[11] Doubtless the Jew could ease the process of adjustment by not upsetting too rudely ancient ways even of stagnation, by refraining from needless rhetoric and, without dampening the zeal which accomplishes the impossible, curbing needless exuberance.

I do not wish to overemphasize the improvement which Jewish endeavor has brought to the lot of the lowly Arab. In Palestine, "the naked facts of village life" are substantially the same as Mr. H. N. Brailsford reports them for India — "the starvation

[11] Sir W. Martin Conway, "Palestine and Morocco" (1923) p. 262.

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and the usurious debts, the taxes, and the rent that goes to a landlord who performs no social function."[12] These should be a daily concern of the government of Palestine. And economic depression for the moment also touches Palestine; Jew and Arab alike suffer. But the enduring benefits of Jewish capital, enterprise and devotion to the whole of Palestine are incontestable. Those who would lightly throttle the development of the Jewish homeland in Palestine are playing with the future well-being of Palestinian Arab as well as Jew, if indeed not of the entire Near East.

All this needs to be said, for the beneficent Jewish achievements in Palestine have been neglected in the strife of tongues. They have even been much misrepresented in the exploitation of the susceptibility of the illiterate fellaheen to religious fanaticism. "After a close study of all the elements of the problem to which M. Van Rees had devoted considerable time," run the Minutes of the Extraordinary Session of the Mandates Commission called to consider affairs in Palestine after the 1929 massacre, "he had not the least doubt that the responsibility for what had happened must lie with the religious and political leaders of the Arabs.[13] The conclusion of Vice-chairman Van Rees was subsequently confirmed in more euphemistic language by the Commission (including the distinguished British representative, Lord Lugard) to the Council of the League: "The Mandates Commission, moreover, doubts whether the kindly judgment passed by the

[12] H. N. Brailsford, "Can Indians Govern India," *The New Republic*, February 4, 1931, p. 316. And see the important Report by C. F. Strickland of the Indian Civil Service on the Possibility of Introducing a System of Agricultural Coöperation in Palestine.

[13] "This profound conviction," continue the Minutes, "had caused M. Van Rees to associate himself entirely with the remarkably well expressed account of the matter," by the well-known publicist, M. William Martin: "Everywhere the troubles occurred, the victims were tempted to believe that they were the work of agitators. To a large measure they were right in this view, for no massacres such as those which took place in Palestine in August would have been possible had they not been organised and supervised. It would, however, be imprudent to deduce from this that there was a divergence of view between the agitators and the crowd of fanatics that followed them, for the mass everywhere followed its leaders and, whatever may be thought of the Arab Effendi in Palestine, it must be recognised that, in so far as the fellaheen are concerned, they are regarded as the leaders. In everyday life it is quite possible that the relations of the Jewish and the Arab population may be of a cordial nature. It is impossible always to be fighting, and the Arabs as individuals are gentle in their manners. But you can be perfectly certain that the fellaheen, accustomed as they have been for centuries to obey their feudal chiefs, can be set on to attack the Jewish population when their chiefs so decide. The Arab peasant is distinguished, not only in Palestine, but also in the other neighbouring countries, by the fact that he can always be induced to attack his true friends by his true enemies, who are the landowners. As a French official in Syria has pointed out: 'If we wish to pursue a policy in favour of the fellaheen, we can be quite certain in advance that we shall be received with bullets.' This observation is accurately true of the situation of the Jews in Palestine, whose presence will improve the lot of the Arab peasant by the reclaiming of the country and by raising wages. The Jews, however, run the risk of being handed over at any moment to public vengeance as enemies of the people." (p. 41)

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majority of the Commission of Enquiry [14] upon the attitude of the Arab leaders, both political and religious, was fully justified by the report of the enquiry." These are not pleasant matters to rehearse. But it is important that the facts be known, if American opinion is to affect Near East policy, as undoubtedly it does.

Unfortunately, a deep source of the present difficulties in Palestine is the failure of the Palestine Administration to counteract mischievous misrepresentation and to educate the Arab masses to a true perception of the amelioration of the Arab's lot through Jewish enterprise.

The Palestine Administration has also been wanting in the fulfilment of the active obligations required by the Mandate. In view of the high and disinterested competence of its members, the findings of the Mandates Commission upon this crucial issue constitute the most authoritative basis for judgment:

> The Commission views with approval the mandatory Power's intention of keeping Jewish immigration proportionate to the country's capacity of economic absorption, as clearly intimated in the White Paper of 1922. The Commission is inclined to ask whether the obligation to encourage close settlement by the Jews on the land does not — as a measure for the preservation of social order and economic equilibrium — imply the adoption of a more active policy which would develop the country's capacity to receive and absorb immigrants in larger numbers with no ill results.
>
> Such a policy seems to have been no more than outlined in the form of encouragement and protection for embryo industries. It is quite clear, however, that the Jewish National Home, so far as it has been established, has in practice been the work of the Jewish organisation.
>
> The mandate seemed to offer other prospects to the Jews. It must be recognised that their charge against the Palestine Government, that it has not fulfilled, by actual deeds, the obligation to encourage the establishment of the National Home, has been notably reinforced by the fact that the Government has shown itself unable to provide the essential condition for the development of the Jewish National Home — security for persons and property . . .
>
> The Commission hopes that the necessity of continually acting as an umpire between the hostile factions will not prevent the Palestine Government from proceeding to carry out a constructive programme in the interests of the peaceful masses of the population more vigorously than hitherto. It entertains this hope not only because such action is necessary for the complete execution of the mandate, but also because it believes that there is no better means of bringing about a general pacification than to encourage and organise in every possible way effective co-operation between the various sections of the population.

[14] The so-called Shaw Commission on the Palestine Disturbances of August 1929, whose report (Cmd. 3530 of March 1930) had been forwarded by the Mandatory for the consideration of the Mandates Commission.

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Such an attitude on the part of the mandatory Power and all its agents would assuredly have given them better protection against the continual demands of the representatives of the two parties. It would have enabled them to convince the Arab fellaheen more easily of the undeniable material advantages that Palestine has derived from the efforts of the Zionists. Moreover, by enhancing the moral authority of the mandatory Government as the natural protector of the holy places, it would have enabled them to dispel the apprehensions felt by the Arabs on account of the intention which they attributed to the Jews to encroach upon the Burak. . . .

The policy of the Mandatory would not be fairly open to criticism unless it aimed at crystallising the Jewish National Home at its present stage of development, or rigidly stabilising the public institutions of Palestine in their present form. Judged by the acts in which it daily finds expression and the results already achieved, that policy deserves no such reproach.[15]

V

The Permanent Mandates Commission Report was adopted by the Council of the League of Nations, and accepted on behalf of the Mandatory. But in October, Lord Passfield, through his now famous White Paper,[16] undermined the high hopes for a new era of amity and constructive effort between Jew and Arab, which the Foreign Secretary, Mr. Arthur Henderson, had engendered by his statesmanlike speech in accepting the report of the Mandates Commission. Lord Passfield's new statement of the Mandatory policy for Palestine not only stirred to its depths the most conservative Jewish feeling the world over. It jolted British public opinion regardless of party, and provoked the vigorous protest of leading British statesmen.

While the individual responsibility of British Ministers is screened by the doctrine of collective Cabinet responsibility, it has not been denied that Lord Passfield's ill-conceived departure from past British policy did not have behind it the active mind of the Prime Minister and came as a surprise to Mr. Arthur Henderson, the Minister especially charged with the Empire's foreign relations, which are so deeply implicated by events in Palestine. The surviving members of the British War Cabinet, responsible for the Balfour Declaration, Lloyd George and General Smuts, promptly disavowed Lord Passfield's conception of the Mandate.[17] Mr. Baldwin, Sir Austin Chamberlain, and Colonel Amery, the Prime Minister, Foreign Secretary, and

[15] Minutes of the Seventeenth (Extraordinary) Session of the Permanent Mandates Commission (1930) pp. 142, 143, 145.

[16] Cmd. 3692 (1930).

[17] *The Times*, October 25, 1930; *The Times*, October 27, 1930.

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Colonial Secretary in the last Conservative Government, found the Passfield statement in conflict "not only with the insistence of the Council of the League of Nations that it would be contrary to the intention of the Mandate if the Jewish National Home were crystallized at its present stage of development, but with the whole spirit of the Balfour Declaration and of the statements made by successive Governments in the last twelve years."[18] Lord Passfield purported to follow the carefully matured statement of policy in the White Paper of 1922, but its author, Winston Churchill, repudiated the changed outlook and the whole temper of mind which underlay the White Paper of 1930. The leader of the British Bar, Sir John Simon, and the former Lord Chancellor, Lord Hailsham, declared that the terms of the Mandate contradicted its new rendering by Lord Passfield.[19]

By a strange dialectic and a still stranger disregard of the whole course of events since the World War, Lord Passfield has, I submit, employed the safeguards in the Mandate for the protection of the non-Jewish communities of Palestine to read out of the Mandate all substantial meaning from the Mandatory's duty towards the establishment of a Jewish national home. I shall not attempt to improve upon the analysis of the whole matter made, with great lucidity, by Mr. Churchill who speaks from his past responsibility for Palestine at the Colonial Office:

> The two obligations are indeed of equal weight but they are different in character. The first obligation is positive and creative, the second obligation is safeguarding and conciliatory.
>
> Our Mandatory obligations toward the Jews throughout the world who helped us, and towards Palestinian Arabs who were the conscript soldiers of our Turkish enemy are both binding and we are bound both to persevere in establishment of the Jewish National Home and in safeguarding the civil and religious rights of Arabs. Merely to sit still and avoid friction with Arabs and safeguard their civil and religious rights and to abandon the positive exertion for the establishment of the Jewish National Home would not be a faithful interpretation of the Mandate.
>
> Lord Passfield is not stating the case truly when he writes in the new White Paper, "It is clear from the wording of this article that the population of Palestine, and not any sectional interest, is to be the object of the Government's care." The essence of the Balfour Declaration in 1917, and the intention of the Mandate in 1919 was that "the sectional interest" of the Jews in the

[18] *The Times*, October 23, 1930.

[19] *The Times*, November 4, 1930. The Law Officers of the Government and the present Lord Chancellor have not, so far as I know, challenged the legal doubts of Lord Hailsham and Sir John. I am aware that Lord Passfield made reply to the Hailsham-Simon views (*The Times*, Nov. 6, 1930), and I leave the learned reader to judge between them.

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establishment of their National Home was to be the object of the Government's care, and in the words of the article, the Mandatory Power assumed responsibility for bringing about the political, administrative and economic conditions which would secure the establishment of the Jewish National Home. . . .

No one could claim that the British nation is bound for all time, irrespective of events or of their own physical and moral strength to pursue the policy of establishment of the Jewish National Home. But from the moment that we recognize and proclaim that we have departed from these undertakings and are regarding the Zionist cause as a mere inconvenient incident in the Colonial Office administration of Palestine, we are bound to return our Mandate to the League of Nations and forego the strategic moral and material advantages arising from the British control of, and association with the Holy Land.[20]

I would not have Lord Passfield abate one jot of his zeal for the fellaheen. If the Jewish homeland cannot be built without making the fellaheen's lot worse rather than better, it ought not to be built. The cardinal vice of the Passfield document is that it conveys, certainly to the innocent reader, the impression that the Jew's coming has been the Arab's woe. That is precisely the untruth by which a small body of economically powerful Arabs are exploiting the religious feeling of Arab masses whom they themselves oppress. In common with all students of social problems, I owe a deep debt to Sidney Webb for his contributions to history and social theory. But in a statesman, doctrinaire speculation unaccompanied by human insight is bound to go awry. It is not without irony that, despite his sincere concern for the Arab, Lord Passfield has unwittingly sponsored a policy against Arab well-being and Arab-Jewish concord.

Lord Passfield draws a picture of the impoverished fellaheen in Palestine with the plain inference, in view of the juxtaposition of Jewish settlement and Arab grievances, that the Jew has ousted the Arab cultivator from his land. From Lord Passfield's text — and it is a formal State paper — one would hardly suspect that every dunam of land now owned by the Jews has been handsomely paid for, and that the fellaheen's lot is certainly better than before the Jews came, and much better (because the Jews came) than that of his brothers in Transjordania, from which the Jews have been excluded. Detailed proof of these facts is buried in official reports, little known and less read. But the general conclusion is attested by trained observers, like H. N. Brailsford, J. Ramsay MacDonald and H. W. Nevinson, who are familiar with Eastern peoples and sensitive to the lot of the underdog.

[20] *Jewish Daily Bulletin*, Nov. 3, 1930, pp. 2–4.

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The White Paper speaks both of landless and displaced Arabs [21] without care in distinguishing between the two classes. Among landless Arabs are apparently included agricultural workers and others occupied in connection with the land — a class found in every agricultural country, and even in the United States on the

[21] By interview, speech and letter, Lord Passfield has added not a little exegesis to his White Paper. But until his White Paper is replaced or "interpreted" by a document of equal formality, one must deal with the text of the White Paper and not with private glosses upon it.

After the present article was in press, the British Government issued a new statement of Palestine policy, published February 14, 1931. It is in form of a letter by the Prime Minister to Dr. Weizmann, who had resigned as President of the Jewish Agency in protest against the White Paper of 1930. The letter has been laid before Parliament, is to guide the High Commissioner of Palestine, and will be communicated to the League of Nations.

The letter states that the White Paper "recognizes that the undertaking of the Mandate is an undertaking to the Jewish people and not only to the Jewish population of Palestine." It expressly disavows any intention of the White Paper to make "injurious allegations against the Jewish people and Jewish labor organizations." "It is recognized that the Jewish Agency have all along given willing coöperation in carrying out the policy of the Mandate, and that the constructive work done by the Jewish people in Palestine has had beneficial effects on the development and well-being of the country as a whole." The Prime Minister admits that the safeguards of the provisions of Article 2 and 6 "are not to be read as implying that existing economic conditions in Palestine should be crystallized. On the contrary, the obligation to facilitate Jewish immigration and to encourage close settlement by Jews on the land, remains a positive obligation of the Mandate and it can be fulfilled without prejudice to the rights and position of other sections of the population of Palestine." The letter denies that the White Paper was meant as "a prohibition of acquisition of additional land by Jews." "The landless Arabs," whose settlement upon the land "His Majesty's Government feels itself under an obligation to facilitate," are now defined as those who have been displaced from their lands in consequence of land purchases by Jews and who have not obtained other holdings or other occupation. The number of such "displaced Arabs" is not indicated and is admitted to be "a matter for careful enquiry." The Government expresses its intention "to institute an enquiry as soon as possible to ascertain *inter alia* what State and other lands are, or properly can be made, available for close settlement by Jews under reference to the obligation imposed upon the Mandatory by Article 6 of the Mandate." "The question of the congestion amongst the fellaheen of the hill districts of Palestine is receiving the careful consideration of His Majesty's Government. It is contemplated that measures will be devised for the improvement and intensive development of the land, and for bringing into cultivation areas which hitherto may have remained uncultivated, and thereby securing to the fellaheen a better standard of living, without, save in exceptional cases, having recourse to transfer." "In giving effect to the policy of land settlement as contemplated in Article II of the Mandate, it is necessary, if disorganization is to be avoided, and if the policy is to have a chance to succeed, that there should exist some centralized control of transactions relating to the acquisition and transfer of land during such interim periods as may reasonably be necessary to place the development scheme upon a sure foundation. The power contemplated is regulative and not prohibitory although it does involve a power to prevent transactions which are inconsistent with the tenor of the scheme. But the exercise of the power will be limited and in no respect arbitrary." The Government denies that any stoppage or prohibition of Jewish immigration is contemplated. "The considerations relevant to the limits of absorptive capacity are purely economic considerations." Consideration will be given to anticipated labor requirements for works which, "being dependent upon Jewish or mainly Jewish capital, would not be, or would not have been undertaken unless Jewish labor was available." The Government "do not in any way challenge" "the principle of preferential and indeed, exclusive, employment of Jewish labor by Jewish organizations. . . ." But if, "in consequence of this policy, Arab labor is displaced or existing unemployment becomes aggravated, that is a factor in the situation to which the Mandatory is bound to have regard."

There are evident gaps and ambiguities in the MacDonald letter, particularly in regard to the opening of Trans-Jordania for settlement and the industrial aspect of Palestinian social economy.

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increase. The White Paper does not take even ordinary care to indicate that the number of Arabs alleged to have been displaced by Jewish settlement is certainly relatively small, and that talk regarding the dispossession of Arab cultivators is based on unreliable data. The White Paper, strangely enough, derives policy from the prevalence of suspicion, sedulously cultivated as everyone knows, rather than that meticulous study of social facts with which the name of the Webbs is so honorably associated. Dealing with one of the chief areas of Jewish colonization, Sir John Hope Simpson, Lord Passfield's own expert, reported:

> The Jewish authorities have nothing with which to reproach themselves in the matter of the Sursock lands. They paid high prices for the land, and in addition they paid to certain of the occupants of those lands a considerable amount of money which they were not legally bound to pay. It was not their business, but the business of the Government to see to it that the position of the Arabs was not adversely affected by the transaction.[22]

A fellah overburdened with debt, who, though he has left the land, has freed himself from debt and found work, is not necessarily prejudiced. A more scientific cultivation of the soil may, like the introduction of the machine, entail hardships which it is the duty of government to soften. Palestine inexorably is part of this modern world. No *cordon sanitaire* can protect her against the penetration of the forces behind Western ideas and technology.

Lord Passfield apparently deems it a good ground for stopping immigration when unemployment prevails in Palestine, and "widespread suspicion exists" that such unemployment is due to Jewish immigration, whether such suspicion be well founded or not, so long as it "may be plausibly represented to be well founded." But, in the gross, Jewish labor does not displace Arab labor. Jewish capital creates work for Jewish labor (and through economic entanglements inevitably also for Arab labor), and such Jewish capital flows into the country only as part of the movement to build up a Jewish National Home. Lord Passfield indeed objects that the Jewish National Home is to be built by Jewish

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Also, the suggested centralized land control adumbrates an administrative power full of potential mischief. The letter does, however, remove much of the harm of the White Paper, insofar as words may counter words. There is ample room within its framework for creative effort by Jew and Arab, and for their collaboration with the Government. But the Passfield document was merely a flagrant symptom of certain aspects in the Palestine Administration and Colonial Office policy. Time alone will show whether the new gesture of good will will be translated into action.

[22] "Palestine, Report on Immigration, Land Settlement and Development," by Sir John Hope Simpson, Cmd. 3686 (1930) pp. 51–52.

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labor. He apparently expects Jewish capital and enterprise to be moved by the desire to build up the land for non-Jews. The very conception of a national home, of an integrated national life, evaporates in the White Paper. Jewish capital is acceptable, but not Jewish labor; Jewish wealth, but not a Jewish life.

Such a conception of the Palestine Mandate, were it to prevail, would frustrate the specific means — the encouragement of Jewish immigration and the promotion of close settlement of Jews upon the land — by which the ultimate aim — the establishment of a Jewish homeland — is to be accomplished. Lord Passfield actually seeks to turn the law of the Mandate against the Jewish Agency. He charges a violation of Article 6 because Jewish settlements are guided by the policy (however wisely applied in specific instances) of employing Jewish labor on Jewish enterprise in order to maintain their own civilized, social standards. The undoubted effect of such a policy is to stimulate Arab demands upon Arab employers. Such adjustments take time, and the process naturally is not to the liking of the influential exploiters of Arab labor. But in their homeland Jews, with a conscious philosophy, seek to be toilers and builders, not entrepreneurs or the beneficiaries of those excesses of the capitalist system to which Western countries are now giving heed. Speaking from wide knowledge, Colonel Amery, the former Colonial Secretary, defends the general economic policy upon which Jews in Palestine are proceeding:

> Take another point, where the White Paper adds in a curious fashion to the criticisms of the Hope Simpson Report. The Hope Simpson Report criticises the action of the Jewish Federation of Labour and the Jewish Land Agency in wishing to employ none but Jews on the land which they secure. It may well be that that policy is carried out too rigidly, but that there is justification for it no one will deny who has ever been in a country like South Africa, where you have two races living side by side with a differing original standard of living and of wages.
>
> Unless you insist at the outset that the race with the higher standard of living shall be prepared to undertake every task from the humblest you soon get a tradition established under which one race becomes the hewers of wood and drawers of water and the other the capitalists and the skilled artisans. Surely, in the permanent interests of the Arab population, in trying to raise the Arab standard of wages, is it not a good thing that there should be established in Palestine, at any rate on that fraction of the total area which is represented in the Dunam's purchase by the Zionist National Fund, an actual population of working Jews settling not only a standard of efficiency but also

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a reasonable standard of living. Unless this had taken place do you think we should have had a Workmen's Compensation Act, as we have it in Palestine to-day. The presence of a Jewish working class is a very material element in lifting up the standard of the whole population, and yet all that the White Paper has to say about that is to go a long way beyond the Hope Simpson Report and to treat it as being contrary to the spirit of the Mandate, as something which is giving offence to a people, something which is inconsistent with the declared desire of the Jews to live with the Arabs in relations of friendship and mutual respect.[23]

Lord Passfield has complained that this or that conclusion drawn from his text is unwarranted. If so, the fault lay in his text. An important State paper affecting the destiny of peoples should never have been drawn up *in camera*, without consultation with the interests most affected and with so little heed to the obvious import of its words. He wholly forgot what, according to John Morley, even Mr. Gladstone sometimes forgot, that "in political action, construction is part of the act, nay, may even be its most important part." The White Paper was essentially an un-British document because it was unfair; and unfairness is un-British. This, I venture to believe, explains the deep protest which the document aroused, from Jew and Briton alike.

VI

The White Paper purported to be based on Sir John Hope Simpson's Report on Immigration, Land Settlement and Development. I regret that space precludes a detailed examination of this document. Its descriptive analysis lends considerable support to the recommendations of the Permanent Mandates Commission that the Mandatory take a more active part in the development of the country's resources and thereby enlarge its capacity to absorb new immigrants. Sir John leaves no doubt that in the past the best use has not been made of available state land. His rough estimates of the cultivable area in Palestine, based on a partial survey, are much smaller than those heretofore deemed authoritative, and one may regard them with considerable scepticism. Moreover, he omits entirely the Beersheba district, which heretofore has been estimated to contain 1,500,000 dunams of cultivable land, although he admits that, "Given the possibility of irrigation, there is practically an inexhaustible supply of cultivable land in the Beersheba area." There is no reason whatever to conclude that irrigation might not reclaim this district,

[23] Hans. Deb. (Commons), Vol. 245, No. 15, 112–13 (November 17, 1930).

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for up to now "there has been no organised attempt to ascertain whether there is or is not an artesian supply of water."

He himself gives two striking instances of how faith and works can turn barrenness into fertility:

> There is a small Jewish village called Motza, close to Jerusalem, where a farmer of the name of Broza has planted an orchard, on what seemed to be sterile and barren rock. The trees and the vines have flourished, and what was a wilderness without vegetation of any kind is now a fine orchard producing a large income for its proprietor. The result is the more praiseworthy in that the planter received no assistance from any Jewish or other sources, but created the property by his own exertions. Another instance of development on the same lines is the orchard planted by the Zionist Organisation at Dilb (Kiryath Anavin). The land on which that orchard has been planted was similar to that of Motza. The trees were not irrigated but they have succeeded wonderfully.[24]

But Sir John apparently does not allow the dynamic significances of such instances of human resourcefulness to enter into his calculations of land available for cultivation. His estimates of "a lot viable" are based too largely on existing methods of cultivation, although he admits that with increased capital and irrigation a much smaller holding would maintain a cultivator on a higher standard. Nor does he take adequate account of the fact that if the standards of a substantial part of the population are raised, livelihood for many others, not on the land but in occupations complementary to agriculture, would be opened up. Moreover, the availability for settlement in Transjordania, with its large areas of fertile lands so sparsely populated and the thin stream of the Jordan only formally separating it from Palestine, was deemed by Sir John outside his terms of reference. And yet Transjordania is probably the key to the problem of land congestion in Palestine. Certainly, hill Arabs can as readily be settled there as on the plains.

While the Simpson Report recognizes the benefits that Jewish capital and enterprise have brought to Palestine, its author's concern with the unique phases of the Palestine situation has been too short and too recent to have enabled him adequately to realize the prime importance of Jewish labor to the development of integrated Jewish life in Palestine. In his desire, which I hope we all share, to see the lot of the fellaheen improved, he takes too static a view of Palestinian economic development. He tends, I fear, to think that by holding the Jew back the Arab can be

[24] Palestine. Report on Immigration, Land Settlement and Development. By Sir John Hope Simpson. Cmd. 3686. 1931, p. 73.

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helped. A much more seasoned view of the matter is set forth by Dr. Elwood Mead, one of our leading agricultural scientists, the director of the United States Reclamation Service:

My knowledge of Palestine is based on visits in 1923 and 1927. I went to study and report on Jewish settlement. In order to do this I talked with Jews and Arabs in their fields and in their homes. I learned how they lived, what crops they grew, what tools they used and the income which came from their labors.

The Jewish colonies and the Jewish settlements represented the twentieth century. They had comfortable homes, good schools, they used modern tools and many of them grew crops which represented an acre value of ten times what was possible under the methods of the fellaheen. Surrounding these cases, which represented sanitation, comfort and progress, were the Arabic farms, which with their mud huts with dirt floors and primitive methods of cultivation and harvesting were a counterpart of the life of two thousand years ago. There had been no progress. On the contrary, the life they lived for centuries before the English Mandate, with its uncertain taxation, its lack of encouragement, its awful poverty, gave no hope of change for the better if development depended upon the initiative and the expenditure of the Arabs. Instead of trying to drain the malarial swamps along the Mediterranean coastal plain, or in the valley of Ezdraelon, they abandoned the land and moved their homes on the hills. These unused and unpeopled pestilential areas were the opportunity of the Jew. He risked life and health to reclaim them through drainage. Now they are dotted with orange groves, market gardens and alfalfa fields. Some of these colonies, especially the irrigated ones, have already the beauties of ancient Palestine described by the Prophets. I saw the stone columns which had supported irrigation headgates built by the Romans lifted out of the mud where they had rested for a thousand years. I saw the unhealthy swamps created by the waters of Ein Herod drained by the Jewish colonists.

The Jewish settlements along the valley of the Kishon River have been created largely through the reclamation of waste places. Doing this has brought better health and better opportunities for the Arabs who live on the surrounding hills. The orange groves and the market gardens in the Jewish colonies south of the Sea of Galilee have not only shown the wonderful possibilities of the Jordan Valley for attractive homes with valuable and varied fruits and vegetables, but this has been done with scarcely any displacement of the grain-growing Arab farmers or shepherds.

These achievements of the Jewish colonists deserve the grateful recognition of the world. They have been wrought under hard and discouraging conditions. Instead of being an injury to the Arab, in many ways he has been an immense gainer. He has a new conception of what he can do. He has had higher wages for his labor and is no longer content with a crooked stick for a plow. The electric lights which have displaced the oil wicks in the Arab homes of Joppa and Haifa have been provided by the money and enterprise of the Jews. The modern flour mill at Haifa had its incentive in the needs of the Jewish farmers, but it serves the Arab wheat growers on equal terms. In a hundred ways Jewish settlement has brought modern civilization into all parts of Palestine, trans-

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formed poverty-stricken areas into places of opulent vegetation, and multiplied manifold the wealth and opportunities of the country.

This has not been accomplished as a business enterprise or for profit. It has come because, out of their love for this land, the wealth of the Jews has been poured out in a constant stream, without any regard as to whether or not there was a direct return.

Now it is proposed to put an embargo on Jewish activity. It must wait until Arab development can catch up. Nothing could be more erroneous than to believe that shackling the Jew will stimulate the Arab. He needs help, but the first step toward help is money, and in an amount similar to that which the Jews have provided. Where is that money to come from? The English Government will not provide it, and the Arab cannot enlist either money or the consecration which has enabled the Jews to overcome the great obstacles they have surmounted.

This action of the British Government, if not modified by the enlightened opinion of the world, will not alone bring distress to the unfinished Jewish colonies, and to the partly completed development which is to be found in the Jordan and Kishon Valleys and along the coastal plain of the Mediterranean, but it means that Arabic development as well as Jewish will cease and the suffering of the fellaheen from the poverty of their life and hard economic conditions will be made more severe. It is my belief that if the attitude of the British Government remains unchanged, within two years the Arabs will join with the Jews in asking for the removal of these restrictions.[25]

I cannot here consider in detail a development scheme adumbrated in the Hope Simpson Report. One hesitates to dissent from a plan which is intended to increase the absorptive capacity of the country and to improve the lot of the fellaheen. Suffice it to say, with the necessary dogmatism of summary comment, that Sir John's proposals, however laudable in their intent, seem to disregard the essential economic and psychological factors that control the Palestine situation. He recognizes the need of reducing the heavy burdens of taxation, but his own scheme would tend to aggravate those burdens and to thwart the enterprise upon which the country's development must depend. It is greatly to be feared that the plan has not sufficiently matured and was not rigidly tested by the unique Palestinian factors. In result, though not in intent, the scheme would defeat the aim of a Jewish national home, and, because of its economic unfeasibility and the hostility that it would arouse among the Arabs themselves, would fail in its central motive, namely, to help the lot of the fellaheen.[26]

[25] *The New Palestine*, Nov. 7, 1930, p. 137.

[26] In *The Political Quarterly* for January-March 1931, Mr. G. T. Garratt subjects the Simpson development scheme to an acute analysis. It is, he says in effect, an Asiatic policy, and "An Asiatic Palestine managed on these lines must inevitably go bankrupt. The Arabs settled on the land with

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Coming to Palestine during a period of intensified world-wide depression, Sir John not unnaturally was over-cautious as to the possibilities of the country. As against the constricted outlook of the Simpson Report, let me put the considered judgment recently expressed in the House of Commons by Sir Herbert Samuel whose temper of mind is as sober as Sir John's, but who speaks from his intimate experience as High Commissioner of Palestine for more than five years:

> Does the presence of this indigenous population of 600,000, as it was then, mean that there is no room for and no possibility of a Jewish national home? I am convinced that with proper agricultural and industrial development Palestine could, in the very near future, support a population of 2,000,000 and there is no reason to doubt that in a generation or so it would support a population possibly of 3,000,000.[27]

VII

Prime Minister MacDonald has given emphatic assurances that the White Paper was not intended to carry the meaning which its language and temper conveyed, and he has set up a Cabinet Committee, under the chairmanship of the Foreign Secretary, to remove doubts and misunderstanding. One may therefore hope that the White Paper will eventually become a forgotten document, and not an attitude and instrument of Palestine policy. But it would be playing the ostrich to deny the damage which that document has caused to Jewish enthusiasm and Arab-Jewish *rapprochement*. One is justified in wondering whether Palestine has not suffered from an excess of inquiries, commissions and white papers. Would not a truly effective administration on the spot avoid these litigious dramatizations of

just enough capital 'to provide a good cow, an iron plough, and a harrow,' will be no wealthier than Indian ryots, but they will have to pay for a cadre of British officials and an administration which would be almost sufficient for an Indian Province with a population and an area about thirty to forty times as large. At present the Jews pay about forty per cent. of the revenue, but they cannot go on doing this when there is no new money coming in from abroad, and a definitely Asiatic policy will soon kill the enthusiasm of the Zionist movement outside Palestine. . . . Palestine would be a definitely Asiatic country, based on land which is intrinsically poor, and having no economic advantages except a comparatively small tourist traffic, the Dead Sea salts, and a belt of citrus-growing land which requires an uneconomic amount of capital to bring it under cultivation. . . . The landlords, unless they are overpaid for their land, will dislike the operations of the Development Commission. The business men will not find themselves any better off and will lose some of the indirect benefits of Zionist activities. The Jews will consider they have been deserted and betrayed. The Arab "fellah" will, if Lord Cromer's Egyptian experience is to be believed, neither understand nor show the least gratitude for such blessings as we may have bestowed upon him." (pp. 54–56) See A. Granovsky, "Land and the Jewish Reconstruction in Palestine." Jerusalem: "Palestine and Near East" Publications, 1931.

[27] Hans. Deb. (Commons), Vol. 245, No. 15, 121–22 (November 17, 1930).

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Palestinian difficulties which tend to breed suspicion and distrust? The silence of the Simpson Report upon the quality of the Palestine administration is therefore surprising. For so experienced an administrator as Sir John Hope Simpson would hardly deny that administration gives meaning to policy.

In view of the unrest in the Near East engendered by the World War, and the distortion of Zionist intentions among credulous Arab masses, friction and even distrust between the national-conscious Arab and the national-conscious Jew at the outset seemed natural enough. They ought not to be seen out of perspective. From the time the Mandate became operative and the formal statement of its mandatory policy by Great Britain was made in 1922, until the riots in August 1929, substantial tranquillity prevailed in Palestine, even following the effective withdrawal of British troops. It was reasonable to believe that racial feeling was gradually yielding under the daily task of living together. As late as July 1929, the High Commissioner reported to Geneva that relations between Jew and Arab had improved, except for the incident of the Wailing Wall, and that Arabs previously hostile to the Jewish national home seemed ready to collaborate with the Mandatory power. The inept handling of the Wailing Wall episode by the Administration in Palestine, and the reduction of armed forces admittedly below the margin of safety even for old established countries, gave extremists the opportunity to arouse tenacious religious fears among their simple folk by mendacious tales of Jewish attacks on defenseless Arabs and the invasion of their holy Mosque. However unpleasant the resultant state of feeling, a wise mandatory policy executed by a firm and imaginative Administration would in due time have mobilized the many influences that make for common life between Jew and Arab.

After the 1929 massacres, Lord Balfour, Mr. Lloyd George and General Smuts, as surviving members of the War Cabinet, wrote, "Our pledge is unequivocal, but, in order to fulfil it in the letter and in the spirit, a considerable readjustment of the administrative machine may be desirable."[28] The same thought was tactfully conveyed by the Permanent Mandates Commission last June: "It is, of course, not proved that a more active policy on the part of the mandatory Power, and a firmer and more constant and unanimous determination on the part of all its representatives

[28] *The Times*, Dec. 20, 1929.

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in Palestine to carry out the mandate in all its provisions, could have eliminated the racial antagonism from which the country suffers. In the view of the Mandates Commission, however, it seems at least probable that the force of that antagonism would have been diminished." [29]

The unhappy massacres have left as their aftermath a continuous battle of words. Sober work and constructive effort will dispel this atmosphere of strife. In fairness to itself and to the trust which it is discharging on behalf of the League of Nations, the British Government must have in Palestine an Administration in full sympathy with the Mandate. Today, one is compelled to say, such an Administration is lacking. The Mandatory cannot work through unwilling instruments.

There is no easy road, no magic formula for the achievement of that coöperation upon which depend the peace of Palestine and its more shining significance for all the world. The quiescence of agitation, the better education of all classes, increased social and economic contacts, and emphasis on the common interests of all sections of the population will resolve present difficulties. Into the whole texture of Palestine life there must enter unflagging realization that Arab cannot dominate Jew, nor Jew Arab, and that only in a fellowship of reciprocal rights and reciprocal duties can be realized the distinctive values to civilization of Jew and Arab. When the Mandatory — and more particularly its Administration in Palestine — abandons the negative rôle of umpire and assumes the creative tasks of the Mandate, its problems will be immeasurably simplified. The two obligations it has undertaken — securing the establishment of a Jewish National Home and safeguarding the rights of the non-Jewish communities — will be revealed not only as reconcilable but in essence complementary. The fulfilment of these international obligations will then rank among the fairest achievements of the British Crown, and the nations of the world will bless the name of Britain.

[29] Minutes of the Seventeenth (Extraordinary) Session of the Permanent Mandates Commission (1930), p. 143.

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RADICAL FORCES IN GERMANY

By Erich Koch-Weser

ECONOMIC depression and political radicalism go hand in hand. When economic distress reaches a certain point, the individual citizen no longer uses his political power to serve the public weal, but only to help himself. His ideal of political liberty pales before his ideal of economic equality.

Once this sentiment has eaten its way into the hearts of the majority of a nation, any political system is doomed to failure. It is useless to tell the embittered masses that their political and economic rulers are not responsible for their misfortunes. It is equally useless to point out to them that a revolution with its attendant disorders would not improve their situation, but would hopelessly compromise it. The world is not ruled by reason, but by passion, and when a man is driven to despair he is ready to smash everything in the vague hope that a better world may arise out of the ruins.

Intelligent and orderly as the German people are, patiently as they have borne the sufferings of war and of inflation, they are in danger today of falling into this reckless state of mind. It would seem that the economic crisis, the reduction of large classes of the German population to the level of the proletariat, and the unemployment of nearly five million persons, cannot go on for many more years without ruining the German nation as a whole. Here is a population, well-equipped from the point of view of health and intellect, which in general is forced to be satisfied with an income barely sufficient for a minimum existence. One-eighth of those who are able and eager to work are unable to find any opportunity to do so. And those who are employed see no possibility of little by little rising to positions where their abilities will have fuller scope. Above all — and this is perhaps the worst aspect of the situation — not only are great numbers of persons forced to abandon any hope of advancement themselves but they must also relinquish the idea of giving their children an adequate education and thus opening up a way for them to better their situation. About 30 percent of the German people have received an education higher than that acquired in the ordinary public schools. But only about 12 percent of all positions available in Germany are of a nature to require

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this higher education or make it advisable. Thus vast sections of the people feel oppressed and bitterly discontented.

The consequence is a pronounced and inclusive dissatisfaction with the prevailing economic system. All the blame for every ill is laid on the shoulders of the capitalistic system, despite the fact that it has been hampered and weakened to a considerable degree by governmental interference. The number of people who feel confident that they can get on by their own abilities is steadily declining. You will recall the saying that Napoleon's soldiers were inspired by the belief that each of them carried a marshal's baton in his knapsack. Perhaps this was not really the case. But certainly it is one of the secrets of success of any efficient régime not to allow the feelings of self-reliance and self-help which exist in a nation to go to waste. America has managed things better in this respect than have the nations of the old world. In Germany, the self-made man is no longer the ideal of the people. This marks the end of the "bourgeois" way of thinking in the best sense of that word. The number of those who are beginning to think in terms of socialism is increasing. The adherents of the middle parties, who oppose this development, are dwindling in the same proportion that the number of independent, progressive and self-reliant citizens is being diminished through the increasing pauperization.

Of the non-bourgeois parties, the Social Democratic Party, notwithstanding its general socialistic attitude, is the one that cares least about remodeling the state in the socialistic sense. This is not so strange as it sounds. This party, which is still by far the strongest political group in Germany, consists of brain and manual workers, employees, foremen, small officials and peasants. It is proletarian in name, but actually the individuals who compose it have attained a greater degree of lower-middle-class security than have many of those in the ranks of the old bourgeoisie. This is partly the result of extensive social legislation, but in the main it is due to the protection offered by the trade-unionist organization. In these times of economic distress it has been unable to hold its own in open economic strife with the capitalists, but thanks to its power at the polls it nevertheless has been almost completely successful in averting the reductions of wages which would otherwise have accompanied increasing unemployment.

In consequence, this whole social group has become as con-

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servative as any other class which has something to lose. Their economic and political phraseology is radical, but as a matter of fact they are concerned to preserve the present economic order because they see that their own existence and that of their children is tied up with it. Radical as this party is apt to be when there is a question of limiting capitalistic profits, it nevertheless turns resolutely away from any sort of revolutionary violence which would ruin the basis of their livelihood. For the time being, then, it is almost completely absorbed in the ungrateful but historically significant task of keeping alive, in wide circles of the population, a sense of order and an appreciation of the value of the state. Nor does it allow itself to be diverted from this attitude by the evidences of unfounded or exaggerated dislike which many well-to-do and well-educated citizens frequently exhibit against it. It has in the end become a party standing for the preservation of the state.

The attitude of the Communist Party is totally different. It constitutes a reservoir for all those proletarians who — either without fault or by their own fault — have failed to find suitable employment or adequate wages. Of the great altruistic idea of communism there is not a trace to be found in this party. The watch-word is not the Christian one, "What is mine shall be thine," but rather one of envy, "What is thine shall be mine." The blind submission shown by the leaders of the party towards edicts issued by Soviet Russia increases its danger to Germany, as does also their financial dependence on Moscow. But — leaving out of account some disgruntled writers who are not in touch with world currents — the party members are recruited from the lower strata of the working classes. Unless the distress among the German people should become insupportable, any sudden advance movement on their part that relied on force would be doomed to failure without armed support and assistance from outside.

Greater danger is threatening at the present time from the National Socialists, popularly called the Nazis. This movement comprises the large ranks of the disinherited and the *déclassés* — middle-class citizens, officials, officers and landowners. All of these deserve our sympathy and pity. Enormous numbers of them have been uprooted from a satisfactory social position by war, revolution and inflation, and thrust out to seek an uncertain and penurious existence. In supporting and voting for

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the National Socialist Party they are generally influenced to only an inconsiderable degree by its rhetoric. For Germany's foreign policy in its main features is compulsory, not a matter of conviction, but of diplomatic and geographic fate. The success of the party lies principally in the fact that those who belong to it despair of ever again being able to win a substantial share of the goods of this world or to secure a higher post than the one they fill today.

The National Socialist Party offers the advantage that one may indulge in cheap socialism, or rather in a socialism of envy, without having at the same time to forego class-consciousness or a sense of superiority over the proletariat. Both the membership and the political aims of the party show extraordinary variations. Some of its members condemn the present Republic on account of its ruthlessness in breaking loose from the old traditions of the German people. Others blame it for being lukewarm about the necessity for a new social order. That is why nobody knows exactly what their "third empire" would be like. They call themselves socialists, and probably really mean to be. But they use the word "Marxists" as a term of opprobrium and reserve it for their adversaries. Their "socialism" is hatred of capitalism; their "Marxism" is hatred of social democracy. Whether this party will ever make up its mind to take the leap and try an assault upon the Republic is extremely doubtful. And after all, it comprises at present not more than one-fifth of the population. Moreover, it is animated by a club or fraternity spirit more than by the sort of will which resorts to revolutionary measures. But no matter whether its deeds remain undone or whether it succeeds in temporarily usurping power or a slice of power, the main danger in the long run will be that it has no goal to attain. It therefore is bound to lead the hosts of its disappointed adherents not to a victory of reason but to some sort of embittered union of forces with left-wing radicalism.

Is there any way of counteracting the dangers inherent in this whole situation? One must not forget what difficulties Germany had to overcome in her struggle for economic progress even before the war. History has no parallel to offer of the way in which, during the years 1871–1914, Germany achieved the gigantic feat of increasing her population of 40 millions to 70 millions and of providing them with tolerable conditions of existence within her same narrow frontiers. England maintains the standard of

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living of the English people only by means of the interest and dividends from her foreign investments, which are almost great enough to cover the cost of feeding the entire nation. The American workman has one-fourth of the raw materials of the whole world at his disposal for his work, so that, with every turn of his hand, he enriches America not only by the value of his work but also by the value of the raw materials thus turned to account. In Russia a host of slaves, consisting of 120 millions of peasants who live in a state of serfdom, with few needs and in a state of misery beyond that of the Middle Ages, is toiling for an oligarchy of 6 or 8 millions of industrial workers. Germany was unable to draw on any such resources even before the war.

Will Germany be able to continue along the line of her past achievements?

The energy and willingness of the German workman, the intelligence and enterprise of the German capitalist, the adaptability and versatility of the German merchant, the efficiency and technical training of the German man of science — these have not decreased, at least not to any considerable degree. It has been aptly said that Germany "starved herself to greatness" during the nineteenth century. She would be able to do the same thing again today if the conditions imposed on her from without were the same as they were then. But these conditions have become harder in two respects.

Germany is groaning under burdens arising out of the lost war. She has obligations at home and obligations abroad. The number of invalids, widows and orphans created by the war, all of whom have a claim to maintenance, is enormous. The cession of important territories has made it difficult for Germany to provide the needed raw materials, and the establishment of impossible frontier lines has mutilated her physical body to such an extent as to make it difficult to regulate economic exchange and the supply of goods. The fabulous reparations imposed on her people bleed her capital strength, notwithstanding that an increase in her exports has been made possible by cutting prices.

The second adverse factor is a general one, and consists in the increased isolation of the various countries of the world from one another. Germany by herself is too small to turn to account and develop the vital energies of her population. World commerce is a necessity for her. But the greater the need of the nations, the greater their dependence on coöperation in the field of interna-

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tional economics, the more obstinately they seem to set their mind on nationalism and protectionism. They shut themselves off from one another. Tariff walls rise higher and higher. Meanwhile emigration of the laborers and peasants for whom there is no longer room in Germany is coming to a standstill. Even German physicians, chemists, technicians and merchants, many of whom formerly put their abilities to work in different parts of the world and then brought home the fruits of their labor, are now excluded almost everywhere. Germany is thus confined to her own narrow limits, within which her people wear themselves out in fruitless competition.

From both the economic and the political point of view Germany's collapse would mark a long stage on the road leading to the decay of our modern culture. The German is easily satisfied and by nature is opposed to revolution. Only when he becomes a prey to despair does he lend his ear to agitation. With some good will, the world could prevent Germany's collapse. Germany was overwhelmed in the war because the world got the erroneous conception that she was an obstacle to the idea of democracy and liberty. Today the world ought to help Germany defend her democratic and liberal institutions by showing some understanding of her economic and political needs. In doing so, the world will be defending its own liberty and its own democratic institutions.

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THE SILVER PROBLEM

By Herbert B. Elliston

ANY abrupt decline in a commodity price always disguises some special cause in addition to general market or monetary conditions. Silver is now ruling at the lowest level of all time (about 27 cents an ounce at the moment of writing). Obviously, conditions not wholly susceptible of explanation on the grounds of the general fall of prices have been at work.

In regard to most commodities the explanation would be sought in the production-consumption ratio, which is the determinant of price. It is worth while to see what such a search yields when applied to silver. Over the decade since 1921 the average yearly output has been 230 million ounces. The average yearly consumption, however, has been 265 million ounces, actually more than the output. Evidently we shall not find our answer along this route. The fact is, of course, that the large, ever-growing world stock of silver invalidates the production-consumption comparison as an explanation of its price. When wheat is consumed, a vacuum is left to be filled by new production; but the bulk of silver output flows into a vast pool of accumulations. Thus we have the origin of what in trade parlance is called "other supplies," *i.e.*, the entrance into world markets of existing stock. "Other supplies" constitute the outstanding market phenomenon; oversupply, not overproduction, is the trouble. "Other supplies" have been in such vigorous competition with annual production that in the last decade they have exceeded 355 million ounces, a yearly average of 35 million ounces.

Since the use of silver is very ancient nobody can compute the reserve of these "other supplies." They do not come from mines whose potentialities are susceptible of measurement, but from sources whose age-old depths defy statistical research. Nor are actual sales from these sources known in advance. In regard to both volume and time, they have sprung upon the market, with the effect not only of depressing silver but of frightening operators into a persistent pessimism. For instance, though the average annual sale from "other supplies" in the last decade was 35 million ounces, almost twice that amount came on the market every year in the three years ended 1930. Modern price relations,

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which rest on some degree of future planning, are impossible of maintenance in the face of this unknowable factor in the silver situation.

"Other supplies" are coming out of depositories to compete with output because silver is nowadays treated as a commodity. Formerly silver as well as gold was the measuring rod of commodity value. It had a fixed ratio with gold, not an unfixed price in gold, as in the case of other commodities. In the time of the Pharaohs a gold: silver ratio of 10:1 held almost a religious sanction. Colonne, the French economist, gave the seal of an economic law to 15:1, and in 1896 William Jennings Bryan built the Democratic platform on 16:1, persuading millions of American voters of its virtues. But Bryan's effort marked the end of the struggle to keep silver from being put on the side of the commodities. Left to fend for itself, its "ratio" or price in gold is now 60:1. Progressive demonetization of the metal has built up a surplus of millions of ounces.

The history of the demonetization of silver goes back over a hundred years. It has marched hand in hand with the improvement of living standards. Man wanted a higher unit to express his growing wealth. He also required the minimum of variability in value. In 1816, England, then fast becoming the world's workshop, set the course of monetary policy towards gold monometallism. It enacted into law the single gold standard. Other trading nations, growing more prosperous and feeling the same need for stability, slowly fell into line behind England. Until 1921–30, however, silver sales from surplus stocks had only temporarily adverse effects on silver prices. They were quickly absorbed in the Far East. After digesting the shocks caused by the progressive abandonment of the bimetallic standard, the demand rallied, as for example in the 'nineties, when India closed its mints to free silver coinage and went on a kind of pound sterling exchange standard. Statistics show that India imported almost twice as much silver in the decade before the war as it imported in the previous decade. Post-war reconstruction, however, gave a decided impetus to the century-old movement against monetary silver. It added to the resources of "other supplies" the silver saved from a general debasement of subsidiary silver coinage. This metal rapidly overflowed on to the market.

In 1919 England called in and remelted its silver coinage, reissuing the metal with a silver content reduced to five-tenths

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instead of nine-tenths. This was not an economy measure *per se*. England required silver to settle its obligations to India, which, prosperous on war orders, had demanded such a volume of precious metals in settlement that in 1918 England was compelled to arrange for a loan of 200 million ounces of silver from the United States Government reserves. In 1919 and 1920, after war-time control had been removed, silver prices several times soared so high that even in the United States the silver dollar was worth more as silver than as a coin. The same phenomenon in respect of the rupee occurred in India, where the people, always alive to the appreciation of silver in value, began to present their paper notes to the banks and ask for silver rupees, which were promptly stored or melted down. To meet the growing demand in India, England shipped part of the silver saved from its silver coinages.

Post-war governments in Europe found that the British method afforded an excellent means of economizing on governmental expenditure. They ignored silver in their calculations for reconstruction, either keeping silver out of circulation altogether or debasing new issues. Conspicuous among these nations was France, which withdrew all of its silver coinage, issuing paper, brass, nickel and copper instead. In their anxiety to copy England and France, certain other states, notably Austria, went too far and found that token currency was not acceptable. After their experience with paper currency which could not be converted into anything substantial, the people demanded the circulation of hard money of some intrinsic worth, so that they might be protected in the event of a return to astronomical inflation. Since they were no longer living under the police system of war-time, they got it, and silver started to return to the European money system. Though fineness was reduced, the additional demand, as well as general reconstruction, manifested itself in price; by 1925 silver had improved to 69.07 cents from the 1921 post-deflation figure of 62.66 cents an ounce (compared with $1.38 at one time in 1919).

The debasement of silver coinage in Europe nevertheless constituted a severe blow to the long-term prospects of silver. It enabled governments to dispense with the pre-war statutory requirements for subsidiary currency. It also made governments sellers, where formerly they had been buyers. In 1928 and 1929 England and France disposed of substantial quantities of their

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saved silver, though France has since declared its intention to keep the remainder of its reserve intact, and to reissue silver coinage next year, albeit with a low fineness.

In the meantime the idea of a gold standard began to spread to the Far East, in spite of the low living standards prevailing there. The Indian Government in 1925 appointed a Royal Commission on Indian Currency and Finance, the fifth in its currency history, to consider a plan with a twofold design. Post-war losses incurred by the government as a result of having to provide the people with silver rupees worth more than their coinage value had persuaded the government that the only remedy was to introduce an effective gold standard and dethrone the silver coin from its position as unlimited legal tender. Freed of this obligation, the government could then eliminate the surplus silver from its currency reserve. This was the first proposal submitted for the Commission's consideration. The second is worth quoting in full:

> To cure the uneconomic habit of the people of holding the precious metals as a store of value, by assuring them, through the instrumentality of a gold currency, that the same measure which they mete out, in gold value, by way of investment of deposit with a bank, will be meted to them again, in gold value.

These objectives aroused the utmost concern in the silver industry of the United States. Only about 25 percent of the world's silver output is produced in United States territory, but American capital has large or controlling interests in many of the mines in Mexico, Canada and Peru. Possibly, indeed, American capital controls as much as 70 percent of world output. The objects of the Indian Government threatened to cripple the buying power of silver's best customer, India. At that time India was taking up to 40 percent of the world supply, both on government account for coinage and on private account for hoards. There was a saying in the industry, "A good monsoon, good silver," meaning that profitable farming conditions in India would boost silver prices by enabling the Indian people to invest their enhanced returns in silver. Yet government purchases were little less important to the industry. For the first sixteen years of the century Indian governmental transactions were said to be the main determinant of price. Finally, for centuries India had been a veritable Danaïdes jar for the world's silver mines, with the result that the silver industry had acquired a fixed fear that any blow to Indian confidence in silver, such as might follow an abrupt de-

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cline in price, would be likely to result in the disgorging of this tremendous hoard of buried rupees and ornaments, thus demoralizing the market. Disquiet was not allayed by the knowledge that at that time the plan of the government, in so far as it related to the attainment of an independent gold standard, found general support in India, for reasons of national pride.

American witnesses, mainly bankers such as the late Benjamin Strong, placed the considerations of American interest at some length before the Royal Commission. When the Report came out it was found to modify the original plan, but none the less, in the opinion of the American industry, it presaged serious consequences for silver. These fears persisted in spite of English assurances that they would prove as baseless as the apprehensions of the 'nineties.

India was duly put on a gold bullion standard. In other words, currency was convertible into gold, though only into bars of gold, to obtain which it was necessary to present not less than $8,000 of currency. The Commission gave its imprimatur to the proposed abolition of the legal right to convert new notes into silver rupees, though the recommendation was qualified by the proviso that in practice convertibility should be maintained. The gold reserve needed to support the new gold standard was much more than the Indian treasury possessed, and it was proposed to obtain it by selling excess silver held in the reserve against paper currency. More silver was expected to flow back to the Treasury out of the so-called "redundant rupees" acquired by the Indian population during the prosperous war and post-war years. As the inevitable consequences of these measures, provision was made for the suspension of the coinage of silver for some time to come. Obviously the intention was to discourage hoarding and to promote in India the "pocket change" attitude toward silver obtaining in the west.

World silver prices, which had held up for four years, responded to the Indian report by sinking 10 percent in 1926. Today the reaction seems to have been due to intelligent anticipation of coming troubles. If Indian governmental purchases alone had determined price in 1900–1916, surely Indian governmental sales would depress it. The Indian Government fulfilled expectations by selling (on a modest estimate) 75 million ounces in 1926–30. In 1928 India, hitherto the chief absorber of silver since records began to be kept, was passed by China, the last great stronghold of the silver standard.

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Another consequence of the action of the Indian Government was to gain advocates for gold among other peoples historically wedded to silver. A currency example is contagious, and it was therefore not surprising when last year French Indo-China renounced silver and emptied its coffers into the world market. The Indian Government, taking alarm at the possibilities of this invasion, in March 1930 set the final seal on its disapproval of world silver by imposing an import duty. In his last budget speech, Sir George Schuster, Finance Member of the Indian Government, explained: "There is another important new factor in the situation, in that the government, owing to their possession of surplus stocks of silver and the erection of a new refinery at Bombay, have got into the position of being themselves important producers of silver. Our proposal, therefore, has the new incidental advantage of providing Government with a protected market for their own produce." But the act did not accomplish its purpose of "protecting" the price of Indian government silver sold inside of India. The import duty established a differential between home and world prices of about 9 cents an ounce. Yet, partly in consequence of this act, the world price started to toboggan downward in May, and, dropping much lower than 9 cents, of course dragged the Indian price along with it. Today the duty is meaningless in view of ruling prices at 27 cents compared with around 45 cents in February 1930.

Figures which illustrate the shift in silver distribution in the east as the result of these developments are as follows:[1]

	World Output	*China, including coinage of Chinese Mints*	*India*
1924.....	239,100,000 oz.	41,700,000 oz.	108,200,000 oz.
1925.....	245,100,000	59,400,000	106,700,000
1926.....	253,600,000	73,900,000	91,600,000
1927.....	251,200,000	85,000,000	90,000,000
1928.....	257,200,000	124,000,000	89,000,000
1929.....	260,900,000	136,700,000	81,800,000
1930.....	243,700,000	123,000,000	94,500,000

What will China do? It is only a half-truth to describe China as being on a silver standard basis. Internally, silver is simply the medium and the standard of value for the upper stratum of society. As one goes down the scale of social life, one finds in vogue many media besides silver, all independently managed standards — copper, "cash" (a minutely valued coin composed of an alloy,

[1] Taken from the yearly tables compiled by Handy and Harmon, New York.

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chiefly brass and bronze), inconvertible paper, and outright barter. Perhaps, if one may make any generalization about China, that country may be described as on a commodity basis of exchange, for even in those areas which have progressed out of barter the metals are used almost at commodity values. Sometimes, indeed, as in India in 1919, these metals may have an intrinsic worth beyond their face value. For instance, in 1919, when the metals rose so high and so abruptly in price, the "cash" of China attained to this premium, and a lively Japanese trade sprang up in imported "cash" from China. In Japan the coins were melted down and the metal returned to China for recoinage at the mints!

Thus the mass of the Chinese people are neither aware of the convulsions in the silver world nor very much affected by the world depression. They live and work too far from the treaty ports to be dependent on gold-priced goods, so expensive in China nowadays with the drop in silver (or, as it is regarded from China, the rise in gold). Even the few foreign commodities which percolate down to the smallest villages, such as kerosene and cigarettes, may not show any marked change in price, as the foreign merchants operating in China, long used to changes in the price of silver, generally vary the content of the product and leave the unit price undisturbed.

China as a people may be indifferent, but the chief currency authority, the Government at Nanking, cannot be unconcerned. The government must take stock of China's new position as the main support of the silver market, with takings amounting to the equivalent of half of the world output.

In addition to being the chief outlet of production, China is the dumping ground for "other supplies," *i.e.* government sales. For reasons of which dumping is one, Shanghai holds three times the stocks which it held in 1921. China has been so hospitable to all this cheap loose silver that a group of United States Senators now propose to expedite delivery beyond the limits of its consuming ability. They suggest that China might take another hundred million or so ounces by way of a loan, as England did in 1918. Such a prospect does not seem likely to fall on receptive ears in China at a time when its trouble is to maintain a free market which will not degenerate into a dump. Last year the Nanking Government, following India's example, put an embargo on the importation of foreign silver coin, and actually

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considered the imposition of an import duty on silver, which would have put the country on an inconvertible silver standard. It has also partly safeguarded its foreign debts not in default by fixing a rate of exchange for the collection of the maritime customs, a source of revenue which, formerly collected in variable silver, is used to meet most of China's foreign obligations, which are mainly payable in gold currencies.

So much for the internal function of silver in China. Silver is also the Chinese medium of exchange in international trade; that is, its foreign exchanges are at the mercy primarily of the equation between fixed gold and unfixed silver, or the price of silver in gold. Naturally the present low gold prices for silver conceal a bounty on Chinese silver-priced exports. Foreigners, having to give less in their own currencies for a given quantity of goods, will find China a cheap buying market. This phase of the situation has already excited those who see the Yellow Peril behind every economic bush. However, any great augmentation of exports seems dubious. For one thing, neither the economic nor the political organization of China is such as to allow it to take much advantage of such an export bonus. Again, it does not seem likely that commercially China wants a bonus on these terms. The penalty on the other side, namely the high prices which it has to pay with its silver for foreign or gold-priced goods, is too great. Just as foreigners have to supply less of their currencies to buy Chinese goods, so the Chinese have to supply more of their currencies or goods to buy foreign goods.

Modern China is interested in imports as well as exports. This is not the China of the Emperor Chien Lung, who wrote to George III that there was "no need to import the manufactures of outside barbarians in exchange for our own produce." There is today a *will* to import at least capital goods such as machinery in order to build up modern industries. A will to import may be observed in the new tariff which has reduced the duties on such imports in the effort to overcome the high levels of gold-priced goods. Vain, however, has been the hope of trying to offset the effects of the accelerating silver decline. So if China cannot provide the cheap goods or enough silver, it will of course reduce its foreign commodity takings; in any case, low silver prices (conversely, high gold prices) will encourage the upbuilding of Chinese factories to supply the demand which has hitherto been dependent upon foreign supplies.

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The answer may be that China will abandon the silver standard. The proposal has been talked about since pre-republican days, but no progress has been made, as currency reform demands what China has hitherto lacked, namely, a strong central authority. Still, China has always liked to inquire into the theoretical possibilities of bringing order out of its monetary chaos. The invitation to Dr. E. W. Kemmerer to render a currency report resulted from this feeling. Dr. Kemmerer's report proposed that a gold exchange standard should be ushered in by stages. It has been regarded with so much skepticism on the score of practicability that its influence upon the silver market has probably been negligible. Perhaps the only item in the recommendations calling for comment is the one which provides for the sale of many millions of ounces of silver in order to build up a gold reserve. This would be accomplished out of the seigniorage saved by issuing debased token coins instead of the pure and almost pure silver which at present circulates either in the form of sycee (bullion shaped like shoes) or of coins. The trouble with this recommendation is that China, in the same selling rôle as India and for the same purpose, would probably drive down the price of silver to further low levels. At present it would be a *reductio ad absurdum;* the silver-deserting countries would be taking in each other's silver.

Of immediate moment is the reaction in India to present low silver prices. An Anglo-Indian lawyer residing up-country once gave the writer some indication of the changing monetary habits of the Indian population when he said that he was now paid in notes whereas in his first few years in India he was paid in rupees dug out of hoards in the ground. The rupee has a face value of 37 cents as compared with an intrinsic value of less than 10 cents. In the United States the simultaneous decline in the bullion value of a silver dollar to about 25 cents has not affected our esteem for the silver dollar, because that esteem is based on its recognition as token coinage and nothing more. We are so confident of our ability to command a gold dollar's worth of commodities with our silver dollar that we do not perceive any significance in the decline in its intrinsic worth. A different psychology would probably prevail if we used dollars for savings instead of to buy small articles. The Indian, as was shown in his early post-war behavior, is fully conscious of the increasing devaluation of the rupee, in spite of the fact that by the operations of the gold

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standard he is able to obtain goods of a gold value of 37 cents for it. He is showing an increasing indisposition to store it. Undoubtedly this is one reason for the flow of rupees back to the government treasury. Coined rupees have been coming in so fast that, in spite of government silver sales totalling 75 million ounces (say, 250,000,000 silver rupees), the Indian currency reserves on January 15, 1931, far from being diminished, stood at 1,202,000,000 silver rupees, as compared with 833,000,000 silver rupees on January 1, 1926.

Yet an Indian flight from silver bullion as distinct from silver rupees would require a vast change in psychology, and hence is extremely problematical. Silver bullion is stored away in bars or ornaments. In some parts of the country a widow is not allowed to inherit more property than she can hang around her person; naturally such property takes the form of ornaments composed of the precious metals. Silver has the great virtue of relative indestructibility; paper currency buried in the damp ground or secreted in leaky rafters could not withstand the ravages of time. Nor is the development of banking or investment habits likely to make the headway that was prophesied for it, particularly in view of the uncertainty of the country's political future.

Despite all this, the arrival of historic low prices for silver has awakened serious fears lest Indians should lose confidence in the metal. Unlike China, where gold is not used as a standard and seldom as a store, in India the relation between gold and silver is widely appreciated. In its first interim report on gold, the Gold Delegation of the Financial Committee of the League of Nations makes the guarded comment that, "It is quite possible that the recent decline in the price of silver will lead to increased purchases of gold." There is no way of knowing definitely about such a subject, but no such movement as yet seems to be recorded, and most authorities consider the converse to be true, namely, that low silver prices, when they are considered bottom prices, are apt to encourage silver imports at the expense of gold imports. However, just as American women would cease to esteem platinum if platinum lost most of its present value, so the Indian esteem for silver would vanish if the bottom dropped out of the silver market. After all, Indian hoards are a store of value, in the sense of being private treasuries, as well as a store of sentiment.

It is sometimes asked why the silver industry does not seek

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equilibrium and adjust itself to its new competitor. No measures could be imagined that would offset the waywardness of such competition as "other supplies" have provided in the last two or three years. Nevertheless, the attempt to widen industrial demand for silver or limit output in order to help prices has repeatedly been urged on the industry.

There are those who assert that enough activity has not been devoted to the promotion of uses for silver apart from its uses as a precious metal. And it may well be that the historical regard for silver as a precious metal has not encouraged enough research into its possibilities as an industrial commodity. Only 15 percent of supplies is now absorbed by industry; but present conditions may provoke further research, especially into possible uses at different price levels. As yet the only hope of a larger industrial outlet lies in the effort now being made to put non-tarnishable silverware on the market.

Limitation of output is difficult in the case of silver because 60 percent of the product is won from mines which also yield lead, zinc and copper. Output was reduced last year by 20 percent, but this was chiefly due to curtailment in the output of the other metals, though there was some degree of lessened activity at the "straight" silver mines. This year a further reduction is in sight. Peru, for instance, which normally furnishes 10 percent of the world's output, will probably place on the market about half of its usual quantity.

Another problem attaches to curtailment of output. Silver holds an important position in the budgets of Mexico and Peru. Mexico, responsible for 40 percent of output, is to a great extent dependent for sustenance on world takings of its mineral wealth, and silver figures largely in this revenue. Already an arrangement has been made to suspend transfers of payments on the Mexican foreign debts. Peru wants an outright moratorium on its obligations abroad. A major reason for the development in both cases was the silver crisis. Moreover, Mexico will not readily allow the silver mines to be closed down. Unremunerative operation has been forced on several owners by a provision in Mexican legislation requiring an employer to obtain official permission before discharging labor. One instance is recorded where, even after permission had been obtained, and the mine had officially suspended operations, the miners continued at work, finding a market for the stolen metal in Mexico City.

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Drastic restriction of the silver output, it is obvious, would create a widening circle of complications not limited to the silver industry or to the impoverishment of Mexico and Peru.

Enough has been said to show that in potentialities "other supplies" are of far more significance than output. They are a permanent feature of the situation because of the fear that in the long run silver may be dethroned as a monetary metal. To try to stem the tide would be like the effort of the lady of fiction who tried to sweep back the ocean. That the bimetallic solution of the silver problem has not gained more advocates in the face of fears of a gold shortage is a witness to the manner in which men are looking to managing existing gold supplies more efficiently rather than to securing more metal in stabilizing currency supplies. The nations are beginning to dispense with gold as well as silver, massing the yellow metal in central banks, which are rearing inverted pyramids of credit and paper currency upon it. So far have we progressed from the days when we insisted on "honest metal" as a safeguard against dishonest government that the movement to reinstate more silver into circulation seems foredoomed to failure. We are moving toward the elimination of international, let alone the national, handling of metal. Impressed by the cumbrousness of shipping gold in settlement of international balances, central bankers are beginning to envisage the prospect of a world clearing house system.

Is there any reason, however, for the west to force the process on the east, where such different conditions prevail? The east possesses neither the living standards nor the tempo of life which has encouraged the elimination of metal by westerners in transactions among themselves. Nor do we find in the Orient the confidence in government which is a desideratum in dispensing with "conspicuously visible" money. Even in India the British Raj is preparing progressively to Indianize the institutions of government, and no one can foretell either the outcome of these reforms or their consequences on the currency habit of the Indian population. Will they live to regret the introduction of paper, as many areas in China regret it?

Be that as it may, if the writing on the wall reads that the cheapening of silver is inevitable, there are reasons both of justice in India and of western self-interest for making the process gradual.

India has probably four times the silver hoards held by China.

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Strictly speaking they are not "hoards," a word which connotes miserliness, but savings, and should be regarded in the same category as the money on deposit with the savings banks of the United States. An average of the estimates of recognized authorities would put these private stores of the Indian population at four billion ounces, or well over half of the world stock. In 1926 their value in terms of gold was $2,750,000,000. Today they would be valued at $1,075,000,000. Without using figures, J. F. Darling has applied the word "filched" to this reduction in value. If a director of one of the "Big Five" banks in London uses such a word, what word is the Indian ryot using? One can well imagine, especially when, as the result of the world depression, he is forced to pawn or sell his silver. Here arises the question of justice. In certain circumstances the protection of the purchasing power of silver may be none the less vital to the Indian than the protection of the purchasing power of gold is to the west.

The raising of the point of justice has not been limited to unofficial British commentators. It has the warrant of the Royal Commission of 1925, which stated:

> The people of India have from time immemorial placed their trust in silver as the medium of exchange and as their store of value. They are deeply interested in the value of silver bullion, and it is contrary to their interests to depreciate it. The present proposals [i.e. those of the Indian Government] would inflict heavy losses on the poorer classes, who have put their savings into silver ornaments, and who would find their stores of value depreciated by perhaps 50 percent by the action of government. It might well happen that when it was seen that the price of silver was doomed to fall, there would be a tendency to change over from silver to gold in all parts of the world.

We have already seen how the prophecy came out more than true, even though the laws as enacted only partly fulfilled the original proposals. The price of silver in 1925 was 69 cents; today it is around 27 cents, a drop of 60 (not 50) percent. And the Indian Government is known to have sold silver when silver was at record low prices. By conducting its operations regardless of price, thus further depressing the market, the government must accept much of the responsibility for the reduction in the value of Indian hoards. Undoubtedly much of the explanation is traceable to the need under which the Indian Government has labored of parting with silver for the purpose of supporting foreign exchange during the business depression. But that is another story.

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Hence any proposal to remedy the silver situation must first take account of the Indian Government's attitude. Through Sir George Schuster, in his last Budget speech, it has now expressed its willingness to consider joint action with a view to the regulation of sales by all world sellers. In actual sales the Indian Government has probably not sold more silver in the last decade than the British Government. All governments holding reserves of metal from debased coinages would therefore have to join India in making coöperation effective.

There is no doubt, as will be seen from a reference to the statistics already given, that world demand furnishes an outlet for both the debased and demonetized silver. What troubles the market, and makes operators bearish, is the uncertainty, both as regards time and volume, of government selling. On this point the 1930 circular of the British firm of silver brokers, Sharps and Wilkins, writing of sales by the Indian Government, states: "It was not so much the actual sales that were responsible for the fall, as the uncertainty of their next move." That this is the outstanding characteristic of the present-day silver situation seems to be the consensus of expert opinion. What is wanted, then, is regulation of the time and flow of government selling. At the same time a system of regulated government buying to meet coinage needs might be worked out. Hitherto coinage requirements have been filled more or less haphazardly. Francis H. Brownell, chairman of the board of the American Smelting and Refining Company, has outlined a plan for "joint action" (as mentioned by Sir George Schuster) to be undertaken along some such lines. Demand for silver is highly irregular, and if the governments agreed to time their calls for coinage purposes during slack buying seasons in the east, and at the same time came to some understanding over their silver selling policy, the darkest cloud would be lifted off the silver market, and the atmosphere cleared.

Self-interest as an urge to the western world to control "other supplies" is based on two considerations: (a) the need for conserving gold; (b) the need for markets for western goods.

Studies of the gold problem have brought out the "well-grounded fear" that our gold mines will soon be unable to add the requisite 2 or 3 percent of new gold to the existing monetary stock of gold needed for maintaining stable prices.[2] Such a sit-

[2] E. F. Gay: "The Gold Problem," FOREIGN AFFAIRS, January 1931.

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uation admittedly calls for better management but it also requires the conservation of existing supplies. The problem of economy in the use of gold, particularly non-monetary gold, is the subject of discussion at every meeting of central bankers. Bankers have hitherto been exercised over the imponderable of the Indian demand for hoards as well as for money reserves. At various times India has been called a "sink" and a "sponge." It has been absorbing a fifth of the annual world output, mainly for hoards, which of course do not subserve world trade. Yet the Indian Government is pursuing a policy, the consequences of which must be to encourage India to acquire gold. On the authority of the League Gold Delegation, low silver prices fostered by that policy might possibly turn the preference for hoarding purposes from silver to gold.

A marked decline in the price of silver depletes the ability of both the silver users of China and the silver savers of India to buy western goods at present gold values. We have seen that in China there exists a new desire to import foreign goods. But the drop in silver is depriving more and more Chinese of the ability to pay for the very goods which the enterprise of foreign merchants has introduced during the past century. Reports from Shanghai state that Chinese (or silver) prices on wool, for example, have skyrocketed so high that thousands of Chinese, long used to western-style clothes, are going back to Chinese silks.

Few commentators on the silver situation neglect to observe that permanent recovery is dependent in no small measure on an increase in China's foreign trade. Some, indeed, go so far as to say that the decline in that trade last year was the primary cause of low silver prices. This is putting the cart before the horse, as the figures show that the commerce of the United States with China declined in about the same proportion as the total trade of the United States, while silver imports by China, though slightly reduced from the record year of 1929, were 40 million ounces above the six-year average. Undoubtedly few things would do so much not only for silver but for the excess manufacturing capacity of the western world as the development of China. Wu Ting-fang, when Minister to Washington, once said that if his people could be persuaded to add half an inch to their shirt-tails, all the textile mills in the world would be kept busy supplying the extra demand. The remark, though only facetious, does give some idea of the potentialities residing in such a huge

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population, should its living standards be raised to somewhere near western levels. But as long as China remains attached to a silver standard, the rapid decline in silver must be checked if we are to retain the relatively small trade which we have secured, let alone obtain the increment which belongs to the future.

As a commodity, silver has clearly been affected by the world-wide decline in all commodity prices. Yet silver has declined far more than other commodities and in that disparity may be sought the justification for regarding silver as a special problem. For reasons above stated, the decline of silver has perhaps caused some other commodities to fall in price more than they otherwise would have done. There is no disagreement among the various sections of opinion interested in silver as to the advisability of restoring silver to something of its former prestige. The most determined Anglo-Indian advocate of the gold standard for India, the most isolated silver miner of Nevada, and the most rampant Chinese nationalist will all welcome for their own particular purposes the restoration of confidence in silver. The question is thus whittled down to one of how shall this restoration of confidence be brought about. India apparently feels that it should not be asked to stop selling unless the American producing interests curtail their output. The American producers are likely to argue that they cannot curtail production of silver without simultaneously (and with far reaching complications) curtailing the production of other metals, principally gold, lead, copper, and zinc, of which the three latter are already on a reduced basis of production. The producers will probably also stress the point that the equilibrium of silver was upset not by an abnormal increase in production but by the action of governments and that equilibrium consequently should be restored by those same governments. China, relatively impotent in the matter, is likely, if driven to the wall, to resort to extreme measures which, while they may not help China very much, will certainly harm western trade. The problem of reconciling these conflicting interests in a harmonious program would not seem insuperable when the object is common to all parties.

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LLOYD GEORGE: THE LEADER OF BRITISH LIBERALS

By Henry W. Nevinson

MR. LLOYD GEORGE has now been a member of the British House of Commons for forty years. For seventeen of those years he held high office, and for six of them he was a dominating influence, not only in his own country, but in Europe. He entered Parliament when he was twenty-seven, and his rise was rapid. He became Minister of the Board of Trade under Campbell-Bannerman at forty-three, Chancellor of the Exchequer under Asquith at forty-five, the first Minister of Munitions at fifty-two, Minister of War and then Prime Minister at fifty-three, after which he remained practical dictator till he was fifty-nine, when he fell — fell like Lucifer, as his enemies tell us, never to rise again. Of that no one can yet be sure, but in any case it is the career of a remarkable man that we are now considering, a man who for a time guided his country's destinies and whom no future historian can overlook.

Like other men, he must be judged as a whole, and in speaking of his nature one must always keep in mind that it is not English but Welsh. Though he happened to be born in Manchester (1863), both his parents were entirely Welsh, and he passed his childhood and youth in a Welsh village with the typically Welsh name of Llanystumdwy, in Carnarvonshire. Owing to his father's early death, he was placed under the care of his mother's brother, Richard Lloyd, bootmaker and unpaid preacher, belonging to the sect of Baptists called "Campbellites" or "The Disciples of Christ." Thus by association he acquired a genuine sympathy with the working people, a contempt for the aristocracy of birth (there are few aristocrats in Wales), and a hostility to all clericalism, especially to that of the Established Church of England in Wales. He also imbibed a tendency to temperance drinks, for the Welsh as a whole are given to teetotalism, perhaps because they doubt their own powers of resistance to temptation.

But more important than these external influences was the Welsh nature bred in his flesh and bones. That nature is so widely different from the English that we may admire its qualities from a distance, but can seldom feel quite at home with it. The Welsh possess a power of rhetoric which we in England like to listen to

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but instinctively distrust. Regardless of mere details and barren facts, it soars to heights of language and imagination which we cannot hope to reach. Seizing the emotion of the moment, it relies for persuasion upon passion rather than evidence, and kindles enthusiasm by excited appeals to abstract principles of acknowledged splendor. Quick to catch a passing suggestion, it shifts with ease from one position to another and if a contradiction is involved, the rapidity conceals it from the audience, and from the speaker also. These characteristics of quickness, imaginative power, and frequent instability are often found in the Welsh nature as well as in the public utterances of the Welsh, and they puzzle the comparatively slow and concrete English mind.

Add to that our perplexity at the ancient British language. Like most Welshmen, Mr. Lloyd George is bilingual, accustomed from childhood to regard English as a useful secondary language, but speaking Welsh as his mother tongue. It has been said that he may talk English to an Englishman, but all the time he is thinking in Welsh. That again puzzles English people, who are very seldom capable of conversing freely in any language but their own, and even that with reserve, difficulty, and many errors. To talk to a man who by nature speaks another language of which we are entirely ignorant, as we all are of Welsh, is like talking to a foreigner through an interpreter. We are never quite sure how much is being omitted or inserted, and so a sense of distrust arises, and perhaps to this distrust is partly due the evil reputation that the Welsh have long suffered among us. It is seen in the common name of "welsher" for a swindler on the Turf, and in the children's nursery rhyme, "Taffy was a Welshman, Taffy was a thief." But that charge of "sharp practice" is probably also derived from ancient suspicions existing among the dwellers along the Welsh marches of Cheshire, Hereford, Monmouth, and, as I myself have known, in Shropshire.

So it was that, on entering English public life, Mr. Lloyd George had to contend against a certain suspicion as a Welshman given to rhetoric, unstable, untrustworthy, a foreigner, a Dissenter, an upstart from the working classes, a man who had never enjoyed such advantages as the English public schools and our ancient universities can offer; and on that account undisciplined, incapable of the "team work" demanded by cricket and football, and untrained in the English spirit of "good form" and "playing the game."

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In short he came among us as a foreigner, a "little Welsh attorney," and we English are distrustful of foreigners in high office; as we were of Disraeli, for instance, though he was born and bred in England and did not think in any language but ours. In a less degree we were distrustful of Milner because he was reputed to have German blood, and was at all events brought up in Germany till he went to Oxford. That he possessed the "Celtic charm" in a high degree, and was a conscious expert in its use, did not improve Mr. Lloyd George's position; for it was the conquering English who drove the Celtic fringe into Wales, and remained the dominant race. His eloquent references to mountain valleys and the glamor of sunrise upon the hills were exhilarating to the few of us whose fathers, like my own, had dwelt among mountains, but to the ordinary English of the plains suggested little but tourist resorts or theatrical backgrounds.

It so happened that the unknown and, from the English point of view, half-educated little Welshman entered Parliament at a time of rapid transition. The mighty shadow of Mr. Gladstone's name was fading. Lord Salisbury, the last of the aristocratic statesmen, was nearing his end. Joseph Chamberlain was becoming the dominant influence, and though Chamberlain had much in common with Mr. Lloyd George — his unaristocratic origin, his want of the higher English education, and his contempt of accepted tradition, which in earlier years had prompted an attack upon the monarchy itself under the venerable figure of the Great White Queen — as regards the two main objects of Chamberlain's policy, Mr. Lloyd George stood in violent opposition. Those two main objects were the conquest of the Boer Republics and, later, the introduction of Protection in the guise of Imperial Tariff Reform.

It was in his opposition to the Boer War that Mr. Lloyd George first gave public evidence of his courage and his rhetorical power. It needs courage to stand firmly against popular outcry while a war is actually in progress, and the friends and relations of the people are dying in battle or in hospital far away. As to rhetorical power, I think the most eloquent speech I ever heard was delivered by Mr. Lloyd George during the Boer War itself (June 19, 1901). A peace meeting was being held at the Queen's Hall in London, and popular rage against all "pro-Boers" had risen to such a pitch that a huge and violent mob surrounded the Hall, making approach dangerous. Having emerged from the siege of

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Ladysmith and witnessed the occupation of Pretoria, I had been recalled to London for a brief interval in the false belief that the war was over, and so I was able to be present when Mr. Lloyd George entered at last and was received with rapture as the rising hope of our defiant and rebellious party.

He was in those days exactly the man for the occasion — courageous, enthusiastic, indifferent to consequences, and convinced of the righteousness of his cause. His eloquence soared ever upward and upward, like an eagle's flight when he rises in vast and spiral curves. It was indeed a superb display of oratorical grandeur such as no Englishman since Gladstone could have attempted. When he concluded, the whole audience rose in an ecstasy of applause, and though I was so torn and battered by the crowd outside that I reached my newspaper office in Fleet Street with the appearance of a shipwrecked sailor, I consoled myself with the thought that we advanced Liberals had gained an ally of incalculable power.

The English people bear no rancor, and when the Boer War was over Mr. Lloyd George was at once forgiven for his pacifism, just as Mr. Ramsay MacDonald was forgiven for his opposition to the far more terrible war of 1914 to 1918 — so entirely forgiven that he became Prime Minister only ten years after that war was declared. Mr. Lloyd George was even accepted, though with some hesitation, by the Liberal Imperialists, led by Asquith, Grey and Haldane, and was wholeheartedly welcomed by Campbell-Bannerman, the Liberal Prime Minister of 1906, who at once appointed him to high office. For the next eight years, under that great statesman and under Asquith, also great in his deliberate and unenthusiastic manner, he devoted himself to those social reforms which he has told us have always lain closest to his heart. As Minister of the Board of Trade, and then as Chancellor of the Exchequer, he succeeded in passing the National Health Insurance Act and his famous Budget of 1909, the opposition to which in the House of Lords almost led to their extermination. It was then that, speaking at the Limehouse Town Hall in the East of London, he denounced the Lords with such vigor that for some years the word "Limehouse" suggested scurrilous vituperation, as when, to show the absurdity of primogeniture, he observed that one does not select the best of a litter by taking the first-born pup.

During these years he also launched rather vague schemes for Land Reform and the relief of unemployment by road-making,

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an idea that has persisted in his mind, though futile for its purpose.

In 1907, by sheer persuasive eloquence he averted a serious threat of railway strike, and all through those years his reputation as an energetic and imaginative reformer stood high, though the Marconi incident of 1912 gave it a severe shock. The charge was that Mr. Lloyd George (Chancellor of the Exchequer) and Sir Rufus Isaacs (Attorney General, now Lord Reading) had used their early knowledge as Ministers to invest large sums in a Marconi Company of which Mr. Godfrey Isaacs, brother of Sir Rufus, was Managing Director. I cannot imagine why the accused for a time kept silence upon the vital fact that their shares were taken in an American company and not in the English. Nor can I give much weight to the excuse put forward by Mr. Lloyd George that he was a poor man — an excuse equally valid for most pickpockets and burglars. But when both had expressed contrition for their foolish mistake the House of Commons acquitted them of evil intent, and the scandal gradually died down.

Far more damaging to Mr. Lloyd George's character and reputation, in my opinion, was his behavior towards the woman suffrage movement, which raged with increasing intensity during the years of the Liberal administration from 1906 to the outbreak of the war. I recognize the difficulty of his situation. He always gave himself out as a supporter of the suffrage, but for nearly all that time he was serving under Mr. Asquith, who was an open and obstinate opponent. Mr. Lloyd George could plead that he did not care enough about the cause to split the party on it, or to sacrifice for it his own future career. One must make allowances for party loyalty and for the personal ambition natural to eminent and successful politicians.

But these laudable, or at all events common, motives drove him to twist and wriggle and prevaricate, to make fair promises and to withdraw them, to raise no protest against the abominable treatment of the Suffragettes in prison, and when at his meetings the women made the demand for constitutional rights, to hound his stewards on by his commands to "fling them out ruthlessly," as the obedient stewards did with every form of violence and brutality at Limehouse, Llanystumdwy, and the Albert Hall (December 5, 1908). These actions disappointed me in the man. They proved that at a crisis he could not be counted upon to maintain his own convictions if they threatened his own advan-

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tage. What was more serious, they shook my faith in all political leaders.

The outbreak of the Great War in August 1914 swept away all other records and considerations. To Mr. Lloyd George it brought a change in convictions and the finest opportunity of his life. He had always been a pronounced pacifist, and but for the German invasion of Belgium he might have considered it his duty to join the tiny band of pacifist politicians, like Lord Morley and Mr. Ramsay MacDonald. Such an action would have involved a period of violent unpopularity and a serious check to personal ambition. But the violation of Belgian neutrality supplied to him as to many others a sufficient and even an honorable reason for plunging into the stream of warlike enthusiasm. Thenceforward the pacifist became the advocate of war to the extreme limit, the opponent of all negotiation, the popular champion of "a fight to a finish" and the "knock-out blow."

It was characteristic that one of his first ideas in the war was to restrain the drink traffic by a scheme of national purchase, and equally characteristic that, owing to the general opposition, he flung the scheme aside and threw himself into supplying the shortage of high explosives and shells in general. When the quarrel between Lord Fisher and Mr. Winston Churchill at the Admiralty forced Mr. Asquith to consent to a Coalition Government, Mr. Lloyd George handed over the Exchequer to Mr. Reginald McKenna (an arrangement full of future troubles), and was appointed the first Minister of Munitions. He held that office for little more than a year, but I think that year was the most vital of his life. One of his resolute detractors has written: "Mr. Lloyd George was seen at his best in his appreciation of the vast scope of the problem to be tackled, in his persistent endeavor to carry the Trade Unions with him, in his wide schemes for promoting the social welfare of his workers, in the courageous and inspiring tones in which he asked for effort and sacrifice from all."[1]

In September of that year, while we in the Dardanelles were lost in neglect and were called upon to sacrifice two of our divisions to support Mr. Lloyd George's belated idea of saving Serbia from conquest, he made a famous speech at the Queen's Hall in London, calling for a new dedication of spirit "to the great everlasting things that matter for a nation — the great peaks of

[1] "Mr. Lloyd George: a Study," by Sir Charles Mallet, p. 56.

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honor we had forgotten — duty, patriotism, and, clad in glittering white, the great pinnacle of sacrifice pointing like a ragged finger to heaven." There is a touch of the familiar Welsh scenery in the metaphors, and in the guise of our immense taxation that great pinnacle of sacrifice still points its ragged finger to heaven, as it will continue to point for many generations. For Mr. Lloyd George's expenditure upon munitions, camps and workmen was not merely profuse; it was utterly reckless. But perhaps he was right to disregard all future encumbrances in his one desire to defeat the enemy. At all events, if Mr. Lloyd George was "the man who won the war," it was to his labors in this year that the title is due.

Few men know the right time to die, and the few who know it do not die. But if Mr. Lloyd George had known, that was the right moment for him to disappear. His service as Minister of Munitions marked the top of his life's ladder. He still had the highest office before him, but after the summer of 1916 his character and reputation suffered some decline.

After Kitchener's tragic death, Mr. Lloyd George stepped up from the Munitions, where his success was evident, to the War Office, where he was bound to fail, partly because his head was full of amateur strategy, such as the landing at Saloniki, and partly because he was there confronted by Field Marshal Sir William Robertson, Chief of the Imperial General Staff, a proved soldier, having no patience with amateurs. It was a disastrous year, chiefly marked by the utter collapse of Rumania, and the increasing impotence of Russia.

The gloom of the situation, the appalling losses on the Somme, the threat of the submarine warfare, the obvious friction between the War Minister and the General Staff, the secret letter of Lord Lansdowne to the Cabinet suggesting that the time for negotiations had come, all gave occasion for what Mr. Asquith called "a well-organized, carefully engineered conspiracy" to get rid of him. The purpose was industriously furthered by Lord Northcliffe in the *Times* and the *Daily Mail*. Mr. Lloyd George then saw his opportunity and sprang. He proposed a War Council of three or four members, Mr. Asquith being deliberately excluded. He even resigned. He protested loyalty with tears in his eyes. One afternoon he refused the Premiership. That evening he consented, if Mr. Asquith would resign. No more treacherous insult was ever offered to a great statesman than was then offered to

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Mr. Asquith. As a true patriot and unselfish gentleman he quietly withdrew.

The weekly paper, the *New Statesman*, appeared with the heading "Had Zimri Peace?" The rest of the quotation is "Who slew is master." But the article itself was omitted and underneath the heading followed a column-and-a-half of blank. Certainly the modern Zimri had no peace. The first year of his office was the most disastrous in our history. The Russian revolution and withdrawal of the Russian army enabled the Germans to bring round vast reinforcements to the western front. The Italians were utterly defeated at Caporetto. Passchendaele ended in failure with enormous loss. Mr. Lloyd George surrounded himself with a host of young people encamped in Downing Street, sometimes known as the Garden Suburb, sometimes as the Kindergarten. He was apparently engaged in designing all manner of strategical schemes, which the professional soldiers scornfully condemned. He pinned his hopes on the French general Nivelle, the most conspicuous failure in the war. He refused reinforcements to Haig up to the very crisis of March 1918, when, simply for want of men, the thinly extended line of the 5th Army was driven back almost to Amiens.

The gradual arrival of our American allies, the unity of command under Foch as demanded by Haig, the errors of Ludendorff in his overwhelming advance, the starvation and the plague of deadly influenza in Germany, all contributed to the turning of the tide in July and August of 1918. But of the triumphant movements of Haig's forces, and especially of the 4th Army under Rawlinson, Mr. Lloyd George seems to have taken no notice, though that was the final and most decisive contest of the war. It was not in perception of the realities of war that his true capacity lay. His quarrel in the previous spring with General Sir Frederick Maurice, Director of Military Operations, who had dared to contradict Mr. Lloyd George's estimate of our forces in France, ended in the dismissal of a fine soldier and an unselfishly courageous man, and the credit did not lie on the side of the Prime Minister.

Directly after the Armistice Mr. Lloyd George set about the ruin of the old Liberal party, to which, as he pointed out, he had belonged "from the moment he was able to lisp the accents of his wild tongue." In that enterprise he was entirely successful. Stationed with the British army of occupation at Cologne, I heard of

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his various manœuvres in the "coupon election," when he excluded from his candidates all Liberals of Cabinet rank and all who had not supported him in his quarrel with General Maurice. He promised to bring the Kaiser to trial, to make Germany pay the whole cost of the war (which in his airy way he put at £24,000 million), to keep Britain for the British as a home for heroes, and regenerate the whole of our social system. To their credit, the Labor members withdrew from the Coalition, and joined in a feeble Opposition with the poor relics of what had been Mr. Lloyd George's own party, all their other leaders gone.

Then followed Versailles, and the sowing of dragon's teeth for the crop of future wars. I can well believe that Mr. Lloyd George set out for the Paris Conference with every intention of moderation in dealing vengeance upon a fallen enemy. But his mind was fluid. His ignorance of Europe was surpassed only by President Wilson's, and he was confronted by M. Clemenceau, whose mind was fixed and knowledge complete. Against the Frenchman's granite resolve the flighty Welshman's suggestions or pleadings beat in vain, and the curse of Versailles was laid upon this country equally with the rest of Europe. Only the United States escaped, and even the United States has not been able to stand apart from the misfortunes of the whole civilized world. When it was rumored that the Prime Minister was showing signs of reason and moderation at Versailles, a telegram from 370 of his new supporters in Parliament at once brought him home in agitation to protest that his purpose was as ruthless as ever.

After Versailles, Mr. Lloyd George assumed the Emperor. In London he withdrew more and more to the limits of his Garden Suburb in Downing Street, like one more honored the less seen. But abroad he instituted a series of royal processions to one conference after another, the greatest and the most disastrous of them being that at Genoa in 1922, when, close behind his back, the Germans and Russians concluded a secret agreement for mutual service. During those few months of personal rule he allowed Mr. Churchill to engage upon the futile and expensive interference with Russia's internal politics, he abandoned the wretched Armenians to the tender mercies of the Turks, and encouraged the Greeks to persist in their hopeless attack upon the rising Turkish power in Asia Minor and so to expose themselves to the hideous massacres at Smyrna.

But in my opinion by far the most hateful of the Prime Minis-

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ter's actions at this time, or at any time, was his treatment of Ireland. I speak with knowledge, for I was in Ireland during the execution of the "reprisals" permitted to the lawless bands of the Black and Tans and the Auxiliaries. The policy of reprisals during 1920 and the first half of 1921 was almost as atrocious as anything I have seen in the subject states of Turkey or in Tsarist Russia, and for that policy Mr. Lloyd George must be held responsible. It was only when his military and police agents, and his former Liberal colleagues, together with Archbishops, Cardinals, and Conservative members of his Coalition firmly protested that he suddenly abandoned the methods of barbarism and arranged the series of negotiations with leading Irishmen which at last led to the Treaty of December 6, 1921 — a treaty according Dominion Status far beyond all previous demands of Irish leaders.

The Treaty was strongly advocated by Lord Birkenhead, as though in reparation for his violent opposition to Southern Ireland ten years before, but it was far from pleasing to other Conservatives in the Coalition. The futility of the much-advertised Conferences increased their dissatisfaction. So did the appalling disasters of the Prime Minister's Near Eastern policy — disasters which even a private person like myself, or anyone else who had known the Turks and Greeks in war, clearly foresaw. Add the utterly shameless sale of "honors" (*i.e.* titles of nobility) at fixed rates organized by Mr. Lloyd George's agents for the creation of that mysterious "fund" amounting to a vast sum, and put to uses never yet openly explained. Here were plenty of reasons for a breach in any Coalition. As Mrs. Asquith (now Lady Oxford, a strongly prejudiced witness, I admit) wrote of Mr. Lloyd George and the Coalition when it began: "Neither his personal charm, infinite persuasiveness, the quick changes of an agile mind, nor his eloquent speeches on the British aristocracy had captivated the confidence of the Conservative Party."

In October 1922 they rebelled, and Mr. Lloyd George's period of supremacy suddenly ended. The election gave the Liberal Party only 55 members, and those divided among themselves. For one cause or another this remarkable man, who seemed formed by nature and upbringing to guide the progressive movement in this or any country, had brought to ruin the great historic party of progress. The ultimate reason I believe was expressed in a letter sent to Mr. Asquith (Lord Oxford) when Mr. Lloyd George refused to attend a meeting of Liberals to discuss

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the "General Strike" of 1926. A body of the leading Liberal members of Parliament wrote: "We have done our best in the interests of Liberalism to work with Mr. Lloyd George in the councils of the party, but we cannot feel surprised at your feeling that confidential relations are impossible with one whose instability destroys confidence."

So now, after the election of 1929, he stands as nominal leader of something under 60 in a House of 615, and most of those distrustful and disgruntled.

"Fallen cherub, to be weak is miserable, Doing or suffering." But Mr. Lloyd George, though fallen, is not exactly weak. He waits his moment to spring, and whenever he chooses to spring, down falls the present Labor Government. Willing to wound, and yet afraid to strike, he sniffs at the sops held out by the Labor Ministry — Alternative Vote, Free Trade, or what-not — and bides his time. The Liberal Party still contains men of outstanding integrity and political wisdom — Sir John Simon, Sir Herbert Samuel, Mr. Runciman, and others. It is a party of generals without troops, but Mr. Lloyd George remains Commander-in-Chief. He holds the balance, always threatening to turn the scale for Labor's defeat but uncertain whether he hates the Socialists of Ramsay MacDonald's party more than the Protectionists and landowners of Mr. Baldwin and the Lords. I cannot imagine that he hopes ever in his lifetime to see the party triumphant at the polls, or even running second. But he holds the power of a kingmaker, though he will not again be king. He can enjoy the "*Schadenfreude*" of dragging down other Governments, and I can hardly doubt that he will indulge in that enjoyment within the next six months.

As for the grand old Liberal Party, once led by Gladstone, Campbell-Bannerman and Asquith, it still raises the flag of freedom in trade and in public life, but its battle cries are old-fashioned and rouse no enthusiasm. The leader may continue to pour out programs in green books, yellow books, orange books or what you will, but he is discredited, and all the works of a discredited man share his discredit. His withdrawal to the House of Lords as Lord George of Llanystumdwy would be of service to Liberalism, and he would enter that aristocratic assembly as the alarming ghost of Achilles among Trojan shades.

But one must not end with mere disparagement towards a conspicuous man when he is down. I would rather recall the words of

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my friend Mr. Alfred Spender, for so many years editor of the *Westminster Gazette*, a politician of unshakable balance and moderation, who has written in his book "The Public Life": "He dazzled by his inventiveness, his quickness, his seeming recklessness of consequences, his lavish distribution of favors, his ruthlessness in discarding unsuitable tools, his insatiable zest in the playing of political games, and his hypnotic influence over his pawns. . . . The virtues of the old school — delicacy, dignity, patience, reticence — were not alone sufficient to find salvation in these days. Men who rode roughshod over political precedents and scruples, and conducted politics as the soldiers waged war, played, it may be, an indispensable part. For good or evil Lloyd George appealed to the martial spirit of his countrymen as few other civilians during twenty of the most critical months of the war."

That is a queer eulogy upon a pacifist, but it is true. Mr. Lloyd George has displayed real greatness at three periods of his life: once when he confronted all the power of Joseph Chamberlain and the Imperialists during the Boer War; again when by his Budget of 1909 he started a social revolution; and finally when as Minister of Munitions he threw himself heart and soul into the enormous task of saving our army in France. Few men could hope for three finer achievements, and in fifty years the rest will be silence.

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THE CHINESE AS A FIGHTING MAN

By John Magruder

THE Chinese proudly call themselves pacifists and assert this title as a proof of the superiority of their civilization. Their long spells of civil warfare do not daunt their assertion, and indeed this has nothing incongruous in it.

The Chinese are actually more pacifist than many so-called pacifists in the west, most of whom would *in extremis* defend peace by force, no matter how inconsistent such conduct appeared. In general the Chinese will not resort to violence in defense of any principle, let alone the principle of peace. Nevertheless they are not so pacifist that they will not fight courageously when they are involved in a vital personal or material interest. Even then, unlike western peoples, they will seek to impress their will by indirect methods, ceaselessly persistent and infinitely patient. A favorable decision promptly and abruptly reached is less pleasing to the Chinese than a decision obtained after circumlocution. I would therefore call the Chinese practical pacifists.

A glance at Chinese history is proof of the characteristic flavor of Chinese pacifism. The early wars of China were practically all defensive, and passively defensive at that. The few aggressive wars filled in political vacuums created in neighboring countries by internal dissension. These aggressions followed intrigues started by the Chinese and the military feature of the conquest consisted only of an expedition of occupation. Such wars required no great military skill, and developed none. Thus the Chinese have no military history worthy of scientific study. They tend to discontinue all military preparation during the intervals between enforced combat. The only military traditions which have grown up are those which surround legendary characters whose glory lay in miraculous performance rather than human martial accomplishment.

In recent years the idea has been sedulously cultivated in the west that China has suddenly emerged from military helplessness into a westernized nation of trained soldiers in arms. Nothing could be further from the truth.

No marked progress is to be noted either in the manufacture or tactical use of materiel. Few lessons of the World War have as yet

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found practical application in China. The most notable improvement lies in the increased employment of machine guns. In quality and quantity, however, these do not compare with like weapons in western armies. Extensive use has been made of the trench mortar because it is cheap and easy to manufacture. A serious attempt at Mukden to add to its range and accuracy, with a view to its replacing the light gun and the howitzer, has had the inevitable result of destroying its virtues without filling the need for accurate field pieces. The artillery arm has stood still, both as to material and tactical knowledge, since 1925, when the Manchurian armies manifested considerable interest in it. Furthermore, gas is a weapon only vaguely understood by the leaders and a worn-out bugaboo to the soldiers. A few gas shells were fired under Russian direction during a picturesque siege in 1927, but they were quite innocuous, and excited only the cynical amusement of orthodox artillerymen. Finally, in spite of the publicity about aviation development in China, military aviation equipment is still in the period of transition from military stage property to a moral auxiliary. It has not generally been accepted as a necessary arm, and the soldiers, judging from the inferior aviation performances they have observed, consider it an overrated scarecrow.

Quality of personnel has changed even less than that of materiel. The Chinese soldier is the most docile material from which to build a disciplined unit. He will stand an indefinite amount of hardship and discomfort without grumbling. He can march tremendous distances on footgear that would ruin a western soldier in the first mile. Whereas our own soldiers wear themselves out nervously during rests and while engaged in duties which to them seem useless, the Chinese soldier recuperates as soon as physical exertion ceases. He cares little where he is or how long he stays, provided he has the bare necessities of food and clothing. He does not worry, as does the American soldier, about the difficulties or shortcomings of the hierarchy of command, from the squad leader to the President.

By the same token, however, the Chinese soldier is too content with his just-sufficient rice bowl. He is as willing to be a well-fed straggler as a well-fed victor. He is seldom desirous of ending his own job by contributing generously to an ultimate decision. This attitude has probably grown strong through years of civil strife in which the enemy is just another man like himself earning a precarious living. In fact his leaders are usually concerned with

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the same struggle for livelihood, though on a different scale. He remembers few instances when the enemy whom he faced represented a menace to his livelihood. Therefore, why despatch him? Even bandits are victims of ever-recurring hunger, like himself, and hence are not men to be eradicated unless — and this is important — the soldier is fighting in his own neighborhood, in defense of his own people. In this case he is an admirable and desperate fighter and the bandit receives no quarter. This same spirit pervades all ranks.

Where the vital, personal interest exists, or can be made to appear to exist, remarkable demonstrations of fighting spirit have temporarily been developed, even by unscrupulous leaders for unscrupulous ends. Ideal causes are not sufficient to stir such spirit. The appeal must be made on the score that a menace exists which affects the material livelihood of the individuals concerned.

This was the case with the Nationalist Revolution of 1926–27 which led to the establishment of the present government at Nanking. It is from this example that some of the current misconceptions arise about the Chinese as a fighting man. Militarily the movement was directed by Soviet Russians with a genius for politico-military organization. Under their guidance the Nationalists scored a series of military victories in the western manner. The question therefore arises: What fired the Chinese into these seemingly un-Chinese ebullitions?

The slogans of nationalism, internationalism, anti-imperialism, and other abstract principles were designed only for foreign consumption. What inspired the Nationalist soldiery with a crusade-like enthusiasm was the conviction imposed on them by Russian-trained army agitators that the northern militarists against whom they were opposed were directly and personally responsible for the prevailing hunger and economic pinch. This conviction was later imposed in regard to foreigners. In such a belief the Nationalist troops shed their apathy and pacifism and fought with fervor. Even civilians lent them aid and comfort — truly a strange happening in China. In the face of this unfamiliar phenomenon, the northern soldiers, though by nature more determined fighters, generally walked away, because they had no corresponding incitement to depart from their traditional attitude toward civil strife. They furnished no test of the combat efficiency of the Nationalists.

The martial spirit quickly subsided, as it always does subside in

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China when victories cease to be assumed and have to be fought for. When the Russians withdrew, the series of military victories soon turned, under purely Chinese direction, into a dull process of military absorption. Today these swollen, once-revolutionary armies are in the painful throes of digesting all previously existing units. The martial spirit of today is only a labored imitation of that of 1926–27. There are no convincing signs that the present Chinese military establishment has dug its roots deeper than the familiar subsoil in Chinese nature which contains only those pacifist elements that ultimately destroy military vitality.

This basic truth of the reality of Chinese pacifism thus applies no less to present-day China than to traditional China. Of never-ending pride among the people is the status of the soldier at the bottom of the traditional social scale. Scholars, farmers, artisans, and merchants range above him in that order. This contempt for the military caste remains in marked contrast with Japanese reverence for the fighting man. Though of recent years there has been a gradual shifting of power from civil to military officials, the ingrained distaste for the profession of arms persists. And although the unification of the country is still not thoroughly effected, there is a well-defined struggle in Nationalist government circles at Nanking to reassert the Chinese ideal of debasing the soldier.

It is true that many sons of prominent families are undergoing the modicum of training necessary to enter the army. They do so with hesitancy and ill-disguised contempt for the calling. Their object is to use the military establishment as the base from which to ascend to their real goal: an honorable civil and administrative post. Very seldom, if ever, do sons of influential families accept minor commands with a view to learning the military profession. They inevitably gravitate to semi-political staff positions in order to avoid the rough atmosphere of troops and to be closer to the administrative milieu in which they are really at home.

The absence of any relish for combat among the Chinese is evidenced by their general antipathy for vigorous games and sports. Chinese children dislike rough forms of play. They engage in games requiring physical exertion only when urged to do so. In modern schools I have seen a large circle of children stand throughout a whole recess while a football was knocked about. The ball never reached certain children, but, instead of dashing after it, they stood by patiently, showing the discipline and docility which

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in later years manifests itself in place of initiative and physical aggressiveness.

Neither youths nor adults hunt or fish for pleasure. Chinese men avoid any unnecessary exertion and enjoy only such tests of skill as are not combined with the exercise of physical vigor. Horseback riding for pleasure is engaged in only by the Mohammedans in the west, who generally have strains of alien blood. Save for the crudest forms of transport, horses receive no training at all. Cavalry is only mounted infantry. I have never heard of or seen riding instruction which aimed at anything more than overcoming the hazards of sticking on.

The character of military training, when not directly influenced by foreigners, is an index to the absence of martial spirit. Chinese armies are merely the stage property of political leaders. The training of Chinese troops follows more nearly the principles of stage direction of chorus men and "supers" than of the creation of fighting men. The form's the thing. Day after day, for long hours, one can observe Chinese troops repeating elementary drills as a ritual. Six hours of meaningless drill-ground exercises is not an infrequent schedule. Endless repetition can be ordered and done only by persons whose minds are engrossed with non-essentials.

Some units do set pieces of extended order manœuvres, but these are executed with an eye to the precision of textbook diagrams rather than to the spirit of the assumed situation. Field exercises and manœuvres simulating war situations are practically never held. Target practice as we know it is non-existent. Even if the lack of ammunition supplies did not bar small arms practice, there would be few officers competent to supervise it. In the majority of units the rifling of the weapons becomes so worn by dry-cleaning with sand and grit that dispersion would render practice uninstructive.

The native Chinese development of calisthenics is superior to anything known in the west from the point of view of gymnastics. The art of boxing is to miss the opponent by a hair rather than to place a blow. The same principle applies to military exercises. Bayonet drill, when not influenced by the vigorous Japanese methods, grows to resemble a dance of fairies, interspersed with good-natured clashing of wands. A Chinese company in any of the good divisions could furnish a vaudeville team which would gain enthusiastic applause anywhere. I once saw a company end its

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drill with each man doing three giant swings on a horizontal bar. At my school a cadet who could do the giant swing was a hero. Shadow fighting with ancient weapons by individuals and teams is both intricate and beautiful. Highly conventionalized sparring with various combinations of swords, spears, battle axes, and jointed spars is a magnificent exhibition and demands infinite training. Full of clashing action and noise, it is thrilling to observe. Oddly enough, however, such training is "sound and fury, signifying nothing." The aim seems to be deliberately to expunge the spirit of the fighter despatching his opponent in the refinement of action with which the stage falls of heroines are executed.

Soldiers who in military exercises put grace, attitude, rhythm, and precision in the place of ferocious lunges with intent to kill are artists and actors rather than soldiers. Intelligent Chinese would proudly assert the truth of this observation and offer it as another proof of their superior culture.

There is no purely native method of modern training. Methods in use today are either Japanese or Japanese with slight modifications. These were so well established before the Russian period of influence (1922–27) that they were readopted after the Russian officers withdrew. Practically all drill and training manuals are translations from the Japanese. The unofficial German mission which came to China in 1928 under the late Colonel Bauer, chief of staff to General Ludendorff in the World War, promised to have great effect upon the spirit and methods of training in Chiang Kai-shek's group of Nationalist armies, owing to the dynamic influence of Bauer himself. With Bauer gone (he died of smallpox about eighteen months ago), German influence will probably be limited and localized.

The confusion which arises in foreign minds in following the unexpected and unintelligible turns taken by Chinese wars is due to the fact that they are military operations only superficially. Basically they are economic struggles conducted by men who are not soldiers, in behalf of causes which are ultimately based on pressing material interest, personal or group, which force the Chinese out of their normal pacific course. It is lack of understanding of the purpose of Chinese armies and the object of their wars which gives rise to certain stereotyped humor by passing travellers concerning Chinese soldiers. In so far as this humor expresses the essentially non-martial character of the soldiers, it is an accurate reflection of the facts. When the suggestion of lack of physical

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courage is added, the observations are superficial. I refer to such remarks as that the fleeting loyalty of Chinese soldiers represents baseness of character. Soldiering in China is an occupation; Chinese fight ever so unwisely but with most admirable fearlessness when that occupation, or any other vital, personal interest, is imperilled. The Chinese soldier cannot be charged with disloyalty when he shifts sides, any more than a speculator can be so charged when he changes from a bull into a bear. Livelihood is involved, but no discernible principle.

I have attempted to show some of the reasons for my belief that by nature the Chinese have never been and are not now a warlike people; that they have developed no scientific military traditions; and that what seems today to be a very impressive military development is merely a recurring phenomenon, deplorable to the Chinese themselves, in which ill-adjusted economic conditions have given rise to struggles which superficially express themselves in military rather than political and commercial competition.

At heart the Chinese believe that the continuance of their race, that sacred and instinctive urge which grips them so strangely, will not be accomplished by the exercise of military qualities. Their confident faith in their destiny seems to lie in their one-mindedness, patience, and persistence. It is expressed in a locust-like mass momentum and propagation.

The very qualities which make cohesive and continuous military effort impossible to the Chinese appear to render them impregnable in passive resistance. Through the centuries the potential force of the Chinese has remained intact while the directionless resort to arms by more martial and virile peoples has destroyed or weakened them in rapid succession. This is why Chinese statesmen and youthful unprofessional Chinese generals smile contemptuously at the perfection of western militarism. Their lack of emulation is due to their feeling that it cannot improve upon the superiority of Chinese racial persistency. It may be pardoned China's leaders if they pretend to imitate and even to better western military spirit and practice. A useful purpose is sometimes served because the west is apt to accept make-believe as reality. This was demonstrated during the operations against Soviet Russia along the Chinese Eastern Railway. But Moscow and Tokyo knew better.

Will Chinese biological evolution tend backward toward more primitive forms? In other words, will China witness the growth of

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a martial spirit? This is speculation, but if martial spirit does grow, the development will be a slow process. It will not necessarily be a concomitant of the present rapid social and political change. It will be the result of a fundamental change in national character. Given money, equipment and training there is no doubt that a first class fighting machine can be made of, say, 20,000 Bulgars or Turks. The same cannot be said of 20,000 Chinese, without numerous qualifications. The difference has nothing to do with physical stamina, courage, or intelligence. It is spiritual, or possibly intellectual, and may be loosely summed up in those racial qualities which create a natural antipathy for joining battle with an enemy instead of a relish for combat. Eagles grow in time from the puniest eaglets, but in spite of the fondest hopes and the most patient training, doves snap ineffectually at hawks, and never find pleasure in it. I have never heard of a Chinese militarist, even of the feudalist type, who did not prefer philosophic conversation to "soldier talk," who at heart was not a man of peace.

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THE AUSTRALIAN CRISIS

By Q

LIKE other countries, Australia is experiencing difficulties and hardship by reason of the general decline in prices. But in Australia's case the difficulties are increased by three special factors, for two of which she must accept sole responsibility, while the third is due to causes over which she has no control. These factors are: first, the high cost of production in all local industries, whether primary or secondary, due to the prevalence of protection on the grand scale and a rigid system of arbitration or wage-fixing tribunals; second, extravagant overseas borrowing for many years, with a large interest bill payable annually outside the country; and third, the general fall in the price of Australia's two staple products, wool and wheat.

THE PAST

The Australian Commonwealth is a federation (based largely on the United States model) of political entities which prior to 1901 were separate colonies. At the time of federation those colonies were in varying stages of development. New South Wales, the oldest, had received responsible government in 1856, but Western Australia, the largest in area though the smallest in population and wealth, did not receive that inestimable boon until 1891. All the colonies relied largely, even then, upon loan money for their development; apart from this family weakness, there were many divergencies in their fiscal policies. New South Wales was avowedly free trade, and her secondary industries were thriving under that régime. The next most populous colony, Victoria, was as strongly protectionist. The outlying colonies (Queensland, South Australia, Western Australia, and Tasmania) had few secondary industries to foster but imposed tariffs for revenue purposes. These tariffs applied, of course, to colonial neighbors as well as to the British Empire and all foreign countries.

It is some cause for wonder that colonies with such conflicting policies should have thought the time ripe for union. But men of vision had been working steadily for some form of federation since the 'sixties, and the financial disasters of 1893, caused in the first instance by a land speculation boom in Victoria, brought in

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their train the suspension of every banking house in Australia except one and taught the people of this sub-continent the very salutary lesson that in union lies strength. By 1900 all the colonies had agreed to unite under the style of a "Commonwealth." A federal parliament was created with enumerated and definite powers, of which it is necessary here to mention two. First, the Commonwealth alone was to have power to impose duties of customs and excise (trade and commerce among the states, as they are now called, was to be absolutely free); second, it was to have power to legislate for the prevention and settlement of industrial disputes "extending beyond the limits of any one state." The bad old days of intercolonial tariff wars were to end; those industrial disputes which were likely to affect Australia as a whole were to be within the jurisdiction of the central authority, whose legislation, if constitutional, was to override any state acts inconsistent therewith.

Within a few years the ball of high protection was set rolling in Australia, and it is still revolving merrily and gathering added costs at every turn. At one time the federal Parliament ingeniously sought to make the benefit of tariff protection conditional upon the local manufacturer complying with specified requirements as to payment of minimum rates of wages and so forth, but the High Court promptly declared this device unconstitutional. As the home market was limited, the price of Australian-made articles often could not be reduced to levels enabling them to compete in the open market; but they will always enjoy the indirect protection derived from the fact that Australia is distant from most foreign manufacturing countries, the products of which have to bear the cost of freight and insurance to Australian ports.

At the same time the sphere of federal arbitration was being vastly extended by decisions of the High Court, which in turn inevitably raised production costs and the cost of living. The arbitration clause in the constitution had been framed in such a manner (or so the draftsmen fondly thought) that it would in practice apply to two industries only, shipping and shearing. Coastal shipping is for the most part inter-state; shearers are a nomadic race, moving from state to state, because for climatic reasons the shearing season varies throughout Australia. Disputes in these industries seemed likely to affect Australia as a whole; the states, it was thought, could well deal individually with all other industrial conflicts — hence the restriction of federal inter-

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ference to disputes "extending beyond the limits of any one state." But astute labor leaders saw the advantages to be gained from having uniform laws of employment throughout Australia, and the greater bargaining power that would be possessed by a federally organized labor union. They soon created a test case. Employees in a certain industry which was being carried on in several states made simultaneous demands upon their employers for increased wages, which the latter, without any previous consultation among themselves, refused to concede. The labor unions at once approached the federal Arbitration Court, contending that there was a dispute extending beyond the limits of one state. To the surprise of the community in general, the Arbitration Court and later the High Court adopted this view. The way was thus opened for an enormous increase in federal arbitration. Labor unions organized federally and fell over each other in their haste to manufacture disputes for submission to the federal court. Even state employees, such as government railway workers, were not denied access to the Court, so that a state never knew when its budget might not be upset by a federal award of higher wages to its servants.

The general tendency of arbitration courts in Australia, where in theory the strike and the lock-out are illegal and recourse to peaceful methods of settlement is obligatory, has been to increase wages and to decrease hours of work. The system of payment by results is anathema to organized labor, and the courts have not dared to prescribe piecework. What is the result? Tariffs and arbitration have jointly worked havoc with Australian financial stability. The manufacturer first obtains protection for the establishment or continuance of his industry; the price of the article in question, whether local or imported, is raised to the consumer; and the cost of living goes up. Then the trade union seeks from the Arbitration Court an award of higher wages because of the increased cost of living, and gets it. It becomes the turn of the manufacturer again; higher wages without any increase in production have forced up his costs so much that he requires more tariff assistance if he is to survive. He then asks for an increased duty, and gets it; once more the cost of living rises, completing the vicious circle. The combination of tariffs and arbitration has brought matters to such a pass that some industries now require up to 100 percent protection in order to be able to compete with the imported product.

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To maintain equilibrium in her overseas trading account Australia depends almost entirely upon wool and wheat, which during the post-war period have represented approximately 78 percent of her exports. The price of wheat has been forced down by universal over-production. For a long time Australian wool seemed to be free from the danger of serious price-fluctuations, but the invention of fabric substitutes such as artificial silk and changing fashions in women's dress have combined to lessen the demand and to force down wool prices.[1] Two results follow. The sum available to pay for Australia's imports decreases considerably, and it is of little use for the sheep farmer and wheat grower to produce more with the effect of depressing prices further in an already glutted market. Secondly, the margin between production costs and selling price becomes perilously small, or disappears completely. The margin of safety was never very great; the primary producer sold at world prices, but production costs were relatively much higher in Australia than elsewhere because the tariff-arbitration alliance raised the prices of everything bought by the farmer. Agricultural implements, oil and gasoline for tractors, fencing wire and wire netting, building materials, even food and clothing, all were made dearer by the policy, common to the two major political parties, of spoon-feeding secondary industry. In recent years, too, more attention has been paid to extending the area under cultivation than to increasing efficiency; this was of less importance so long as the price of wheat was high enough to return a profit on an indifferent yield per acre, but with the collapse in prices only the efficient farmer is now solvent — and he, unfortunately, is in a very small, if select, minority.

The position would be serious enough if the only task for Australia's exportable surplus were to pay for imports. But it has also to pay the annual interest on Australia's overseas indebtedness, or a sum of approximately £30,000,000 each year. Since the war, in particular, all governments, federal and state, have indulged in an orgy of loan raising. As a result, the average annual increase in the load of debt has been about £30,000,000. A great part of this and other loan moneys has been spent on railways, harbors, bridges, roads and other public works; most of the

[1] In the 1924–1925 sales, greasy merino wool averaged twenty-seven pence per lb.; in the 1930 sales the average price had dropped to slightly less than ten pence per lb. The bulk of the production is merino.

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remainder has been squandered on grandiose land settlement schemes, laudable in themselves but so heavily capitalized through governmental inefficiency and corruption that it has been necessary to write off a great deal of the capital cost in order to free the settler from an overwhelming debt.[2] In other words, the so-called assets on which loan money has been so lavishly spent rarely earn a commercial rate of interest and contribute nothing to a sinking fund. For many years the drift in the national finances has been obscured by this expedient of borrowing money abroad, and thus an invisible export has been created to help to redress an adverse trade balance and to provide a fund overseas out of which the interest charges could be paid. For many years, all economists (and occasionally a banker) in Australia have warned the politicians and the public that this expedient would sometime fail. But the seed fell on stony ground; at the end of 1929 came the day of awakening and of reckoning.

THE PRESENT

Wool and wheat values have slumped heavily. Exports have diminished in value; imports have constantly risen, despite the tariffs. The faith of the overseas investor has languished, and both the Commonwealth and individual states, when they would a-borrowing go, have found the London money market virtually closed to them. What was to be done? The trade balance was adverse, but interest payments had still to be made. The Nationalist (Conservative) administration chose this very time to make an appeal to the electors for a decision whether the Commonwealth should abandon the field of arbitration to the states. The proposal had been mooted often enough, but no leader had ever gone to the country on it, and no wise leader would have done so at such a time, especially as Parliament had still two years of its natural course to run. The government was badly defeated, and its Labor opponents, after twelve years in the wilderness, were unfortunate enough (as events showed) to be called upon to form an administration under Mr. J. H. Scullin. Its first attempt to correct the

[2] The following extract from the *West Australian* of November 15, 1930, is typical and illuminating: "The eighth report of the Group Settlement Valuation Board was issued yesterday. It deals with 187 holdings, and brings the total number of holdings on which decisions have been made up to 1,602, leaving about 100 holdings still to be valued. The expenditure on the holdings valued totals £4,553,587, and the holdings have been valued at £1,588,505, leaving £2,965,082 to be written off. On the first assessment the amount to be written off averaged £2,243 a holding; on the second, £2,306; on the third, £2,244; on the fourth, £2,118; on the fifth, £1,592; on the sixth, £1,507; on the seventh, £1,385; and on the eighth, £1,336."

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trade balance took the form of more protection. Some articles were excluded; on others the rate of duty was enormously increased; everything was made subject to a primage duty of 5 percent and a sales tax of 2½ percent in addition. But without any corresponding fall in Australian production costs, the man on the land — on whom national salvation ultimately depends — has found his expenses increased, until every time he ploughs an additional acre he reaps additional loss.

A further check on imports came from the banks, which began to ration out to their customers the limited London credits available. Exchange rates on London also went up; and by November 1930 (i.e. in a little over twelve months) London pounds had risen from par to a premium of 9 percent over the Australian pound.[3] Then the banks agreed to give the Government first call on their London balances to the extent of £30,000,000 per annum. The flow of imports has now been checked, but this is counterbalanced to some extent by a further fall in wheat prices.

The position was so acute early in 1930 that after consultations had taken place between the Commonwealth Bank and the Bank of England, the federal ministry thankfully accepted the offer of the latter to send a representative to Australia to confer with the local authorities. In July Sir Otto Niemeyer arrived for this purpose. The full text of his criticisms and recommendations has never been made public; but it is permissible to assume that he blames private and public extravagance for Australia's present parlous condition. The essential parts of his advice, unpalatable as it was to the politician, were given at a meeting of federal and state ministers held at Melbourne in August: "Budgets must be balanced out of revenue in 1930–1931. Australia must set her house in order without assistance from outside." This advice was apparently accepted and taken to heart by the Labor Prime Minister of the Commonwealth, by Labor Premiers in Victoria and South Australia, and by Nationalist leaders in New South Wales, Queensland, Western Australia, and Tasmania, who went from the Melbourne conference to their respective homes full of good resolutions. Australian securities recovered slightly in London; Mr. Scullin, after telling his colleagues to inaugurate a

[3] This was a "pegged" rate, and did not disclose the extreme weakness of the Australian pound. In many quarters it was thought that an open exchange would be more expedient as it would help the exporting industries, i.e. wool and wheat. On January 5, 1931, the Bank of New South Wales, one of the largest and strongest financial institutions in the Commonwealth, made an independent move in this direction by raising its exchange rate to £15 percent.

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campaign of more taxation and less spending, went off to London for the Imperial Conference.

Most of the state governments waited to see what the federal administration would do, and it was not long before the irrepressible optimism of the politician began to doubt the propriety and the soundness of the advice given by a mere financial expert. A notorious feature of Labor administration is that the Prime Minister is not allowed to select his colleagues; Caucus does that for him, and at the present time Caucus is divided into moderates (politicians who have held office in the states or who represent predominantly agricultural constituencies) and militants (quite irresponsible and for the most part newly elected members from the industrialized states of New South Wales and Victoria, particularly the former). Dissension was bound to appear sooner or later, and now broke out openly. The moderates were in favor of adherence to the Niemeyer program, and proposed the introduction of legislation to increase income tax rates, to reduce the salaries of members of Parliament and of the huge army of federal civil servants, and to effect various administrative economies. The militants demanded the rejection of the Niemeyer plan and the continuance of borrowing, and while avoiding open threats of repudiation talked loudly and violently of refusing to lower the Australian standard of living at the dictation of an "emissary of the English money lender." Parliament was not in session, and both factions decided to play a waiting game until elections should have been held in November in New South Wales, where a Nationalist government had been in office for three years and had recently been taking heroic measures in the effort to balance the budget.

New South Wales has been the worst spendthrift of all the states and has been the more seriously affected by the depression. Unemployment is increasing, governmental salaries have been substantially reduced, and all that the Premier could promise was more economy and retrenchment, which to his everlasting credit he did promise. His opponents, led by Mr. J. T. Lang, who had been in office from 1924 to 1927, were bound by no such restrictions; "work for all, restoration of full salaries, and repudiation of the Melbourne agreement" was their slogan. Mr. Lang also promised to break the trading banks if he were returned to power and were then opposed by them in his lavish spending policy. These specious promises dazzled the bulk of the electorate; a po-

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litical landslide occurred; Labor regained office and a majority of twenty in a house of ninety members.[4]

One of the most amazing features of the election was that some federal ministers, members of the Cabinet which had accepted the Melbourne agreement, appeared and spoke on behalf of Mr. Lang and joined in his condemnation of the agreement. These malcontents naturally regarded the result of the election as the verdict of Australia on the proposed financial reforms, and at once made insistent demands on the federal ministry for: 1, pressure to be brought on the Commonwealth Bank to make available credit to the extent of £20,000,000 for governmental services and unemployment relief — in other words inflation; 2, the immediate withdrawal of the proposal to reduce salaries; and 3, notification to bondholders that £27,000,000 of internal loan, maturing early in 1931, would not be redeemed but that the loan would be forcibly continued for at least another year at the old rate of interest. To the surprise of Caucus, the Treasurer, Mr. Lyons, stood firm and refused to obey the majority; the expectation was that he would resign, but this he also declined to do, and announced his intention of arranging a conversion loan and of proceeding with his measures of financial reform. The possibility of a split in the party gave the militants food for thought, and a few days later a Caucus resolution, said to be unanimous, was announced to the effect that the Labor Party would not consent to any evasion of Australia's obligations and that any suggestion of repudiation was manufactured by their opponents in order to discredit the ministry. No doubt the impending return of Mr. Scullin, who belongs to the moderates, helped to weaken the militant front.

The conversion loan was duly launched by the Treasurer, and was oversubscribed by nearly two million pounds — a triumph for Mr. Lyons. One of the outstanding features of the loan was the number of small investors (the total number of applicants was 117,006), which seems to show that Australians still have confidence in their country.

[4] Shortly after taking office Mr. Lang announced that he had discovered a deficit of nearly £12,000,000 in the finances of the state, but his opponents (the late ministry) would admit a deficit of approximately £1,000,000 only, and the latter figure seems the more plausible. It seems that Mr. Lang's assertion was mainly a cloak to cover his inability to redeem his preëlection promises. His government has been forced to increase the unemployment relief tax from 1¼ to 5 percent, and everyone is required to pay, whereas under the previous administration persons in receipt of small incomes (i.e., the bulk of Mr. Lang's supporters) were exempt. A great outcry has consequently arisen in Labor circles. Truly the way of the politician is hard!

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THE FUTURE

Though the Treasurer succeeded in putting through the conversion loan he was forced to make concessions in other directions. The salaries of members will be reduced, as well as those of government servants in receipt of £750 per annum or more. A special tax will be imposed on income derived from property (rents, mortgages, dividends, interest), which will pay a higher rate than earned income and will bear an additional impost of 7½ percent of the taxable income. The most disquieting feature is the retention of the proposal to seek credits to the amount of £20,000,000; there is no doubt that the Labor Party as a whole is willing to try a little inflation. Such a policy would require legislation, and the government is in a minority in the Senate (which consists of six members from each state, of whom one-half retire every three years). But if the Senate rejects the governmental proposals to inflate, as it is certain to do, the matter will not end there. There is a constitutional provision for overcoming deadlocks between the two houses by means of a double dissolution. If such a double dissolution occurs, there is a grave danger that if the country were asked to choose between the hard path of honesty and rigid economy on the one hand, and the specious advantages of inflation on the other, it would in its present temper plump solidly for an increased note issue and give Labor a majority in both Houses. The militants are alive to this fact and will no doubt press forward to this end with all the means in their power.

Communism (and probably subsidized Communism at that) exists in Australia, but it does not appear to be numerically strong, judging again by the New South Wales elections, in which Communist candidates contested every seat but in all cases forfeited their deposits because they did not poll the specified minimum of votes. But what it lacks in numbers it makes up in noisiness and pertinacity. Its political power is indirect, being exercised through the left wing of the Labor Party; but if that party as a whole persists in its attitude of refusing to look facts in the face, the moderates may easily lose their present ascendancy and find themselves swept along by a current which they are powerless to control. The party is nibbling at schemes for artificially stimulating agricultural prosperity by means of bounties, advances on wheat disproportionate to ruling prices, etc., and it seems clear from recent events that these schemes have only to be painted in sufficiently

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attractive colors to attract into the Labor fold the poorer, inefficient farmer. With this added support, Labor would quickly gain power everywhere, and would then proceed to introduce ultra-socialistic schemes for the acquisition and control of all productive agencies "in the national interest," beside which its legislative accomplishments in the past would pale into insignificance.

The future lies largely with Mr. Scullin, whose conduct, since his accession to office for the first time, has gained for him the respect of most sections of the community. Is he strong enough to keep his party together, to face the issue fairly and squarely, and to lead his followers along the path of financial rectitude? No doubt his visit to England, made though it was at an inopportune time from Australia's point of view, will have given him fresh knowledge and fresh experiences with which to fortify his arguments in favor of a return to political and financial sanity. That he will have difficulties to face, no one denies. The power of the Labor machine is enormous, and the threat of expulsion has brought many recalcitrants to yield. The favorites of today are the outcasts of tomorrow; expulsion means political extinction, for the machine is strong enough to prevent the return of the victim as an independent Laborite no matter how popular he may be, and if he turns to his former opponents (as some have done) he receives nothing but abuse and hatred from his old associates and pitying contempt from his new allies. If Mr. Scullin proves strong enough to defy the thunderbolts of the militants, and succeeds in travelling along the path which he has chosen, he will deserve well of Australia. But if he surrenders to the machine and is engulfed in the tide of extremism, both Australia and he will regret the day when his party came into power in face of responsibilities which so far it has only sought to evade.

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GREECE AND HER NEIGHBORS

By William Miller

THE last three years have witnessed the signature of a series of agreements between Greece and the other states of the Near East. As Mr. Venizelos has said, "the signature of the Græco-Rumanian pact of March 21, 1928, inaugurated the conclusion by Greece of a series of treaties of friendship and arbitration with her other neighbors."[1] There followed the pacts of friendship with Italy, Jugoslavia, Czechoslovakia, Poland, Austria, Hungary, the United States, Spain and — most important of all — Turkey, which the Greek Minister of Foreign Affairs, Mr. Michalakopoulos, declared to "surpass, in point of contents, even the historic pact of Locarno." Thus Greece has achieved the difficult task of being in friendly relations with members of opposing groups of states — with Italy, Hungary and Turkey on the one hand, and with Jugoslavia and Czechoslovakia on the other. Her position may be described as that of a friend of both combinations, a satellite of neither. Similarly Bismarck, while making his country the ally of Austria-Hungary and Italy, took care to conclude a treaty of insurance with Russia, the ally of France. That Athens should be simultaneously on friendly terms with Rome and Belgrade is a triumph of diplomacy; that Athens should warmly embrace Angora is a miracle, worthy of the centenary of Greek emancipation.

The ground had been carefully prepared beforehand for the visit of Messrs. Venizelos and Michalakopoulos to the Turkish capital. At the first Balkan Conference, held in Athens last October, the Turkish delegation made an excellent impression on all observers; and on the occasion of the inauguration of the Greek centenary the Turkish Minister, for the first time in history, attended the official service on Independence Day. On June 11, 1930, an agreement was signed at Angora, settling the questions which had arisen out of the Lausanne Convention for the Exchange of Populations, and which had embittered the relations between the two countries since 1923. By this agreement Turkey recognized as "established" at Constantinople all the Greeks resident there, "whatever the date of their arrival," and

[1] *Messager d'Athènes*, April 17, 1930. Other quotations in the text are for the most part taken from the same newspaper.

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Greece similarly recognized as "established" all the Moslems resident in Western Thrace — the respective Turkish and Greek territories exempted from the compulsory exchange arranged at Lausanne. Both governments abandoned all claims for the value of the properties formerly belonging to the "exchangeables," as anything like an accurate valuation of them had been found impracticable; but the Greek Government agreed to pay £440,000 to the Moslems not liable to be exchanged as compensation for their properties which had been requisitioned for the use of the Greek refugees. Defending this settlement, Mr. Venizelos said in the Chamber on June 17: "Our historical struggle with Turkey, which has lasted for so many centuries, must be considered as definitely terminated. The two countries sincerely accept their present frontiers. They cherish no ambitions of territorial aggrandizement and devote themselves to their internal reconstruction." Ismet Pasha made a similar declaration in the Turkish Assembly.

Thus there was no obstacle to Mr. Venizelos's visit to Angora, whence he returned (as he told the present writer) with the consciousness of having "accomplished a great work," a work, as he added, which was "the first result of the Balkan Conference." The treaty of neutrality, conciliation and arbitration, the convention of commerce and navigation, and the protocol on the parity of naval armaments annexed to the first-named document should make October 30, 1930, a red-letter day in Græco-Turkish history. The two contracting parties pledged themselves "to enter into no political or economic combination directed against either of them," to submit eventual disputes between them to arbitration, to grant to one another commercial facilities, and "to order, acquire, or construct no naval unit without six months' previous notice to the other party." By these acts Greece and Turkey have furnished an example to some bigger and more advanced nations, accustomed to look upon the Balkans as "the cockpit" or "powder-magazine" of Europe.

On the base of a monument at Budapest there is engraved an apothegm of the Italian Premier that "peace treaties are not eternal." No one supposes that they are; nevertheless the causes of friction between Greece and Turkey, which produced the wars of 1897, 1912–13 and 1917–22, have disappeared with the disappearance of the Greeks from Asia Minor and of the Turks from Macedonia and Crete, and with the substitution of the Turkish Republic for the Ottoman Empire. Broadly considered,

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Greece is now Greek and Turkey is now Turkish, and both countries have much more to gain by the intensive cultivation of their present territories than by the extension of them at the cost of bloodshed. As has been proved by the Refugee Settlement Commission, whose labors terminated at the end of 1930 with the return of Mr. Charles Eddy to America and of Sir John Hope Simpson to England, the exodus of the Greek refugees from Turkey has made Macedonia a "promised land," capable in time of supplying Greece with grain. Just as Bismarck, after 1871, declared that he would "wage no more wars," but devote himself to internal problems, so the former Cretan insurgent and joint author of the Balkan League against Turkey has set himself in this, his fifth Premiership, the task of reorganizing Greece.

The position of Greece as both a Mediterranean and a Balkan state renders it imperative for her to be, if possible, on good terms with both Italy and Jugoslavia. The Jugoslav frontier near Ghevgheli is only 48 miles from Saloniki, and Jugoslavia is a large and well-armed country. Unfortunately, the previous alliance was formally denounced in 1924 on the occasion of the Bulgarian Minorities' protocol, and the arrangement concluded in 1926 was unpopular in Greece and was never ratified by the Greek Chamber. In 1929, however, Mr. Venizelos and his Minister of Foreign Affairs, Mr. Karapanos, succeeded in making fresh arrangements with their neighbor to the north. Mr. Karapanos on March 17 signed with his Jugoslav colleague at Geneva six protocols, respecting the "Serbian Free Zone" in the port of Saloniki, created in 1923, which provides Jugoslavia with an outlet on the Ægean. One protocol stipulated that the zone should be utilized only for Jugoslav trade, that as it was "an integral part of Greek territory" the Jugoslav flag should not be hoisted there, and that the total number of officials employed there should "not exceed 100." Ten days later, Mr. Karapanos signed at Belgrade a pact of friendship with Jugoslavia, which was ratified by the Greek Chamber on April 4, after a speech by Mr. Venizelos, in which he stated that Græco-Jugoslav relations had "been thereby restored to the cordial position occupied by them before the denunciation of the treaty in 1924." The basis of these relations, he added, was "the recognized principle that Greece should grant to Jugoslavia every possible facility for the free transit of her commerce through the port of Saloniki and Greek territory, while Jugoslavia should renounce

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all pretensions touching Greek sovereignty or even Greek susceptibility." These measures were not directed against anyone, he stated, but were designed in the interest of Balkan and European peace. Since then Mr. Venizelos has twice visited Belgrade, and Mr. Marinkovitch, the Foreign Minister of Jugoslavia, has visited Athens. Greek business men have been the guests of their Jugoslav colleagues at Belgrade and Bled, and in turn have acted as hosts at Saloniki and Athens. Traffic in the Serbian Free Zone was tripled in 1930.

Some uneasiness, unduly magnified in the press, was caused at Belgrade by the fact (a mere coincidence, as Mr. Michalakopoulos informed the writer) that Count Bethlen, the Hungarian Premier, happened to be at Angora during the Greek visit, and that he and Mr. Venizelos met. The admitted fact that Premier Mussolini had acted as an intermediary between Greece and Turkey (he had signed a treaty of neutrality with Turkey on May 30, 1928) led commentators to suggest, without real justification, that Greece was about to join Italy's protégé, Hungary, in the encirclement of Jugoslavia.

At Belgrade people are apt to see the hand of Italy everywhere — in Albania, in Bulgaria, in Hungary and in Turkey. Italy is regarded there much in the same light as was Austria-Hungary before the war. One result was the Franco-Jugoslav Treaty of Alliance (November 11, 1927), to which the Italo-Albanian treaty eleven days later may be described as a reply. The execution of several Slovenes last September for blowing up an Italian newspaper office at Trieste created considerable feeling at Belgrade, where it was thought prudent to guard the Italian Legation against possible reprisals. The suggestion that the Vatican should replace the Slovene clergy of Istria by Italians naturally caused further resentment, and incidents continue to occur frequently on the Italo-Jugoslav frontier. This unsatisfactory condition of affairs has made all the more remarkable Mr. Venizelos's achievement of being the friend of King Alexander (of whom he has a high opinion) without being regarded with suspicion by the Italians.

There is a Greek proverb that "one should kiss the hand which one cannot bite." Mr. Venizelos, who is a realist in politics, realized that however much the Greeks might resent the Italian annexation of the Dodecanese and the bombardment of Corfu, Greece was not in a position to "bite" her great western neighbor,

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and must therefore enter into amicable official relations with her; for nothing is more futile than a policy of pinpricks. Soon after taking office he visited Premier Mussolini, and on September 23, 1928, he signed in Rome a treaty of friendship, arbitration and judicial settlement with Italy. No allusion was made to the Dodecanese, and Mr. Venizelos afterwards declared that no Dodecanesian question existed between the two countries, just as no Cypriote question existed between Greece and Great Britain. This statement caused some dissatisfaction among the Dodecanesians in Athens, but represents the official policy of the Greek Government. When, in 1930, a bust of Xanthos, a prominent member of the famous "Friendly Society" of 1814 and a native of Patmos, was erected by Dr. Skevos Zervos, the well-known Dodecanesian leader, in the "Square of the Friendly Society" at Athens, and the names of not only Patmos but others of "the twelve islands" were inscribed on the monument, they were deleted, and by a delightful Byzantine refinement the noun *Patmos* was prohibited, but the adjective *Patmios* permitted. A single *iota* had saved the Italo-Greek protocol! In January 1929, Signor Grandi, on his way back from Angora, returned Mr. Venizelos's visit on behalf of Signor Mussolini. The Greek Premier again visited Signor Mussolini in Rome in January 1931 on the way home from his journey to Belgrade, Warsaw and Vienna, thus carefully dividing his attentions between members of the two rival groups. Italy, on her part, never loses an opportunity of making herself agreeable to Greece. Italian ships hastened to Corinth after the earthquake of 1928, and when congratulations or condolences have to be offered to the Greek Foreign Office, the Italian Minister is always the first to arrive there. Signor Mussolini is not of the opinion of the French cynic that diplomatists do least harm when they are doing nothing.

The Græco-Rumanian pact of non-aggression and arbitration has much less importance than the treaties with Turkey, Jugoslavia and Italy, because the Kutzo Vlach question, so prominent in Macedonia at the beginning of the century, no longer exists. Wisely, too, the Rumanian Government has abstained from adopting an unfriendly policy towards republican Greece because the ex-Queen of the Hellenes is a sister of the King of Rumania.

Mr. Venizelos told the writer that, having "made friendly agreements" with the above-mentioned states, he "wanted now

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to do the same with Bulgaria and Albania." With regard to Bulgaria the question is somewhat difficult. The Treaty of Neuilly secured to Bulgaria a commercial outlet on the Ægean, and the Thracian treaty of 1920 stipulated that this outlet should be at Dedeagach. During the negotiations which produced the Treaty of Lausanne the Allied Powers invited Bulgaria to accept this solution and construct a port near Dedeagach. But Bulgaria declined, whereupon the Greek Government made a fresh proposal: to construct a normal-gauge line down the Struma valley from the present Bulgarian railway terminus at Petritch to Demi Hisar, so as to

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link up Bulgaria with Saloniki, where Bulgarian trade would be allowed to use the Free Zone, formed in 1925, just as Jugoslav trade uses the similar Serbian Free Zone. This offer was not made conditional upon the abandonment of Bulgaria of her right to a commercial outlet at Dedeagach, and Mr. Venizelos stated at Vienna in January that, "if Bulgaria ever decides to demand the enforcement of the clause of the Thracian treaty relating thereto, she will find the Greek Government ready to coöperate in its execution." As regards the question of minorities, that concerns Jugoslavia rather than Greece, because since the voluntary exchange of populations under the convention of Neuilly the Bulgarians in Greece number only 5.1 percent, and that chiefly around Florina. About 80,000 Bulgarians took advantage of that con-

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vention to emigrate from Greece to Bulgaria, whither some 15,000 had preceded them during the Balkan Wars of 1912–13. If this remaining minority have no special schools, the Greek Government contends that they have never asked for them but are content to send their children to be educated with the Greeks.

There remain the financial questions which have long awaited settlement by either direct negotiations between the Greek and Bulgarian governments or by arbitration. As soon as these are out of the way, Mr. Venizelos is ready "to sign a pact of amity and arbitration on a very large scale with Bulgaria and to conclude a new commercial convention with her." The British Secretary for Foreign Affairs, Mr. Henderson, in a letter to both his Greek and Bulgarian colleagues suggested that the Hague Tribunal be asked to pass upon the Greek claims for the damage done to Greek property at Anchialos in 1906 (when the persecuted Greeks emigrated from Bulgaria and founded a New Anchialos in Thessaly), as well as upon the claims of the Bulgarian emigrants from Greece (whose statements were submitted at a time when their presentation was overdue). He further advised that the question of the indemnities should be submitted to the special arbitration provided by the Hague agreement of 1930, and that all the other questions should be referred to the arbitration of the neutral members of the Mixed Græco-Bulgarian Commission, completed by the addition of a jurist. The Greek Government, with the approval of all the political leaders, republican and royalist, has accepted the British suggestions, which is all the more satisfactory when it is remembered what hard treatment was meted out to Greece by the League of Nations at the time of the Græco-Bulgarian frontier incident of 1925. But since then there has grown up on both sides a greater desire to minimize differences.

No great obstacle prevents the conclusion of a treaty of friendship with Albania. The only recent difficulty was ecclesiastical — the expulsion from Albania of the Greek Metropolitan of Korytsa (the representative of the Œcumenical Patriarch) on March 2, 1929, and the constitution of an Albanian Orthodox Synod. Against this act both the Œecumenical Patriarch and the Archbishop of Athens protested. But this question has died down, and at the meeting of the Council of the Balkan Conference at Saloniki at the end of January the Greek delegates showed their sympathies with the sufferers of the severe Albanian earthquake. The large strain of Albanian blood in Greece makes it easier for these

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two races to understand one another, and while few Greeks speak Serb or Bulgarian, many, and those not the least distinguished, can speak Albanian.

If we can accept these indications, then, Greece is well-disposed to all her neighbors. Mr. Venizelos said to the writer that he wished Greece to be the support of peace in the Near East, and he added: "I think the greatest obstacle in the way of Balkan Union is the tension existing between Bulgaria and Jugoslavia." Greece has nothing to gain by war, everything to gain by peace. The intensive development of the territory which she has acquired since 1913, the making of roads, the drainage of the Struma and Vardar valleys, and the sewerage of Athens form a less romantic but more practical program than the mirage of Byzantium or Asia Minor. But Jugoslavia and Bulgaria have more serious grounds for dispute than have Greece and Bulgaria. Serbian Macedonia contains a larger number of Bulgarians than does Greek Macedonia, and the Bulgarians complain loudly of the Jugoslav administration there. On the other hand, the repeated attempts made by Bulgarian *komitadjis* upon the railway which unites Greece with "Europe" (always upon Jugoslav territory), the assassination of General Kovatchevitch at Shtip and of the legal adviser of the Governor of Skoplje, and the bomb explosions at Pirot, Kriva Palanka and Strumica have enfuriated Belgrade and made its relations with Sofia very difficult.

In these disputes between Jugoslavia and Bulgaria, as in those between Bulgaria and Greece, the British and French Governments have amicably intervened at both Sofia and Belgrade; but Italy was conspicuously absent. Belgrade considers her to be the supporter of Bulgaria (just as Italy regards France as the champion of Jugoslavia), and the marriage of King Boris with Princess Giovanna has, of course, given further ground for the feeling. Surrounded as Jugoslavia is by a chain of states which either, like Italy, contain Jugoslav minorities, or like Bulgaria, Albania and Hungary are interested in their kinsmen living in her territory, her obvious policy is to conciliate some if she cannot conciliate all. It is also the interests of the civilized world that she should do so, for no one wants a second Sarajevo.

At the Balkan Conference in Athens an Albanian delegate remarked that, if the Balkans had been the powder-magazine of Europe, the Great Powers had provided the powder. When the war eliminated Austria-Hungary and Russia from the Balkan

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peninsula, it was hoped that it would now belong exclusively to the Balkan peoples. But such has not been the case. If no Great Power possesses Balkan territory, as Austria-Hungary once held Bosnia and the Herzegovina, Italy and France both intervene in Balkan questions, and have (with the exception of Greece and Rumania) practically divided up the peninsula into Italian and French spheres of influence. Regardless of the experience of their predecessors, which showed that whatever foreign state interferes in the Balkans will in the end be sure to burn its fingers, they each have their pet Balkan states, pampered and encouraged not so much for their own good as in the supposed interest of their respective backers. The danger of an explosion is not decreased by the natural jealousy between "the two Latin sisters" and by the fact that one of them after the war incorporated within its frontiers a very considerable Jugoslav minority, while the other regards the high military qualities of the Jugoslavs as a valuable asset in the event of a domestic row in the Latin family.

Happily for her, Greece stands aloof from the embarrassing and compromising patronage of any Great Power or group of Powers. But, as mistress of Saloniki, in which the Serbian Free Zone is situated, she would be placed in a difficult position by a war between Italy and Jugoslavia, when it might be to the interest of the latter to try to import war material through the Free Zone and over the Greek railway into Jugoslav territory. But, as Mr. Kaphandares remarked during the debate upon the proposed Græco-Bulgarian arbitration on February 10, the amicable intervention of Great Britain therein, supported also by France and Italy, is a hopeful sign that the Great Powers, who "not long ago were only occupied in developing spheres of influence over the small Powers, are now exerting their moral force to promote closer coöperation rather than division." This new tendency is not confined to the Great Powers; for Greece on a smaller scale has shown not merely theoretically but practically that she wishes to make her contribution to the pacification of the Near East — a region which, in this respect, has lately given a lesson of civilization to some more civilized parts of the world.

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NICARAGUA: IN AGAIN, OUT AGAIN

By Lawrence Dennis

PROBABLY most critics of interventions by the United States in Nicaragua censure the sending in of our marines without having any very clear understanding of either of the two factors jointly responsible, namely, the general policy of our government and certain conditions peculiar to a politically backward and economically undeveloped country like Nicaragua. Similarly, it may be said that most of these critics applaud the withdrawal of the marines without considering whether it signifies a change in American policy or in any of the fundamentals of the Nicaraguan situation; few stop to inquire whether the withdrawal marks merely another incident in an interminable sequence of in and out movements.

On February 13 Secretary Stimson announced that the United States will withdraw all of the marines after the Nicaraguan elections of 1932 and that the present forces in occupation, aggregating about 1,500 men, will be reduced to 500 before next June. The decision is in harmony with traditional American policy which has in principle quite definitely, though in practice at times somewhat falteringly and inconsistently, opposed intervention.[1] Let us examine it in the perspective of the full history of American interventions in Nicaragua since the first one in 1909.

The criticism to which the American intervention in Nicaragua has long been subjected, both in the United States and in Latin America, undoubtedly played a part in determining President Hoover and Secretary Stimson to withdraw the marines at this time. The criticism took concrete form when the United States Senate on January 5 passed a resolution calling on the State Department for full information on the course and conduct of the present occupation of Nicaragua since it began in 1926. If Mr. Stimson's announcement was made in answer to these criticisms it probably has been effective; it has been hailed with approval by the liberal press and by liberal spokesmen in Congress. Unfortunately, however, it does not close the Nicaraguan chapter. The movements of the marines are the consequences rather than the causes of our policy.

At the same time that he announced the intention of taking the marines out of Nicaragua, Mr. Stimson attempted to dispose of the two outstanding problems of the present situation: the elections of 1932 and General Sandino. We are, before the withdrawal, to assure fair elections in 1932; and the Nicaraguan Government is at once to begin receiving extraordinary funds for the improvement of the constabulary and the construction of roads, necessary preliminaries to dealing with Sandino.

As no foreign loan was mentioned and as subventions by our Government to the Nicaraguan Government for road-building and other worthy purposes are not customary, it is to be inferred that the extraordinary credits mentioned will be derived from the reserves and surplus of the National Bank and the railway, both of which institutions are in excellent financial condition and owned outright by the Nicaraguan Government. No objection can be made to

[1] Cf. "Revolution, Recognition and Intervention," by Lawrence Dennis, FOREIGN AFFAIRS, Vol. 9, No. 2.

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such an arrangement provided there is a real need for the money and provided, further, that the expenditure is of an extraordinary or temporary character; obviously, recurring expenditures, even for the maintenance of public order, should be met from ordinary revenues and not from loans or capital reserves. Some significance, perhaps, attaches to the fact that the Nicaraguan Government after over three years of American policing finds itself unable to meet, out of ordinary revenues, the costs of adequate police protection. Some doubt, too, may possibly be entertained as to the future ability of a Nicaraguan Government, reduced to borrowing from the reserves of its bank and railway, to finance the successful accomplishment of a task — the elimination of Sandino — at which the United States Government, employing over 5,000 marines, has failed after nearly four years of campaigning.

In order to get the perspective for the proposed withdrawal of the marines let us go back to July 1912, when Nicaragua was for the moment unoccupied.[2] We find President Diaz appealing for assistance against a revolution. By October 1912 the marines had crushed that revolution for him. From then until August 1, 1925, a company of marines, commonly called the Legation Guard, remained at Managua. The mere presence of this handful of men is said to have prevented revolution during those thirteen years. Up to 1924 one Conservative Government followed another in an orderly manner. Everyone seemed satisfied except the Liberals, who were unhappy over always losing the elections. They have, since the intervention of 1927, won two elections under our electoral supervision, and now appear pleased with the occupation.

In November 1923 our Government, moved by the usual considerations determining a withdrawal of the marines, notified the Nicaraguan Government of our intention to take the marines out in January 1925. The note of our Legation stressed three happy auguries: 1. The forthcoming elections of 1924 were to be held in accordance with a model electoral law drafted by an American expert, Mr. H. W. Dodds, recommended by the State Department. 2. An efficient constabulary was to be organized between November 1923 and January 1925 under the direction of American instructors, likewise recommended by the State Department (the marines coöperating until their departure). 3. It was believed that "The new government should be in a very strong position indeed . . ." as it was "hoped that before its entry into office the General Treaty of Peace and Amity[3] will have been ratified and put into effect so that any individual or group of individuals who might endeavor to overthrow the constitutional authorities will know full well in advance that the other four Central American governments will not on account of Article 2 of that Treaty recognize any government coming into power contrary to the provisions of that treaty. In any case, the position and policy of the United States Government with regard to such recognition is and will continue to be that enounced by the American Minister to Honduras. . . ."[4]

[2] American forces had been sent to Nicaragua in 1909–1910 to assist in the overthrow of the Zelaya régime. Zelaya had been in power since 1893, but finally provoked our ire by executing in 1909 the two American revolutionaries Cannon and Groce.

[3] The Central American Treaty of 1923.

[4] In regard to the pending Honduran elections of 1923. It is interesting to observe in retrospect that the principles enounced did not prevent the Honduran elections of 1923 from being fraudulent nor avert the two sanguinary Honduran revolutions of 1924 arising therefrom.

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Everything connected with these three auguries counted upon by Washington to assure a tranquil future for the Nicaraguan Government taking office in January 1925 materialized as well as could be expected. Mr. Dodds's elections went through smoothly. Major Carter's constabulary was organized. And the Central American Treaty was ratified.

Notwithstanding the auspicious outlook, both the retiring Conservative Government and the incoming (January 1925) Coalition Liberal-Conservative Government requested the retention of the marines. Probably the only important parties to the situation genuinely desirous of the withdrawal of the marines were the American State Department and General Chamorro, who was planning to execute a *coup d'état* as soon as they had departed. As a special concession to the Nicaraguan Government, and with a view to facilitating the organization of the new constabulary under the State Department instructor, Washington consented to keep the marines in Nicaragua until August 1, 1925. On that date they were withdrawn according to schedule. Nearly every one in Nicaragua openly predicted that this withdrawal would be the signal for a *coup d'état*, most probably by General Chamorro.

Fulfilling all expectations except those hopefully expressed by the State Department, General Chamorro made his first public move just three weeks after the withdrawal of the marines. Two months later, on October 25, 1925, by a daring and well executed *coup d'état*, he seized complete control. On January 16, 1926, he seated himself in the presidency through Congressional proceedings which he and his followers pronounced constitutional. The constitutional President, Señor Solorzano, had been persuaded to resign and the constitutional Vice-President Sacasa had fled the country, not wishing to stand trial before a Congress, the composition of which General Chamorro had somewhat altered to conform to his views about the results of the preceding elections. Recognition was denied the Chamorro Government.

General Chamorro swiftly and easily put down a revolution in May but a more formidable movement launched in August, and generously supplied with arms by the Government of Mexico, proved too much for him. He resigned the presidency on October 30, a fact which has been hailed as a triumph for our policy of non-recognition. But this view of the event does not seem to take due account either of the activities of the revolutionists or of the valuable coöperation which they received from Mexico. The laurels probably should be shared equally by the revolutionists (Liberals), their Mexican supporters, and our non-recognition policy.

General Chamorro's fellow Conservative and associate, former President Diaz, assumed the presidency on November 11 and was recognized the same day by the United States, which sincerely hoped thereby to terminate the civil war and hasten the much desired constitutional settlement. But the revolutionists, under the Liberal leader, General Moncada, much as they professed attachment to peace and constitutionality, preferred to achieve these goals in their own way as victors rather than to accept them in a formula wrung from the Conservatives while in power. Besides, the Liberal revolutionists were winning the war. The United States had recognized President Diaz, but was at loss what to do to prevent his overthrow. We were indisposed to fight his battles as we had done in 1912. We therefore confined our

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support to establishing neutral zones favorable to the Diaz Government, to selling it United States Government war materials on credit, and to facilitating for it a $1,000,000 loan. But all this was still not enough. We were backing a loser.

Finally, President Coolidge sent Mr. Stimson to Nicaragua in April 1927 to make peace. On May 12, at Tipitapa, Mr. Stimson delivered to the revolutionary leader, General Moncada, a letter stating that the United States had acceded to the "request of the Nicaraguan Government to supervise the elections of 1928" and that "the forces of the United States will be authorized to accept the custody of the arms of those willing to lay them down, including the governmental, and to disarm forcibly those who will not do so." General Moncada published this letter to his army and recommended surrender, pointing out the folly of fighting against the superior forces of the United States. Government forces and revolutionary forces (except for General Sandino and his followers) alike laid down their arms. On May 15, Mr. Stimson telegraphed to the American people: "The civil war in Nicaragua is now definitely ended."

Since this optimistic announcement the American marines, in some three hundred separate engagements with General Sandino's followers, have suffered the following casualties: 27 killed in action; 15 dead from wounds; 59 wounded but not fatally; 52 dead from sickness (malaria prevails in the regions in which this warfare has been waged). The Nicaraguans killed have numbered 3,764. So far, the results seem negative. Only last December 31, eight marines were killed and two wounded in an ambush attack. The activities of General Sandino are reported to be on the increase.

Notwithstanding the peace proclamation of May 1927 and the employment of as many as 5,700 American marines and sailors at one time in field operations, the pacification of Nicaragua remains unachieved. Chief among the reasons cited is a lack of roads to permit of effective patrolling of the entire area of so sparsely settled a country. Bands of natives can roam the vast tropical jungles and easily find a meager subsistence, quite safe from American pursuers. Moreover, these organized opponents of our intervention have the sympathies of the masses both in Nicaragua and through Latin America, a fact which accounts for their abundant supplies of arms and their knowledge of the movements of the marines. They have raided property owners from time to time to replenish the war chest and larder, but these are practices not without precedent in guerilla and even more formal warfare. A purely objective view of the facts hardly warrants calling the Sandinistas "bandits." There are many other more tempting fields in Central America for banditry, *animo furandi*. In those fields, however, public opinion would be hostile to the bandits; and public opinion is probably more deadly to bandits than United States marines.

Any military campaign to rid Nicaragua of these "bandits" would undoubtedly require a system of roads and administration such as empire builders since before the days of Julius Caesar have invariably had to create when embarked on foreign enterprises. Such a system would obviously be unjustified for an autonomous country with the sparse population and economically primitive development of Nicaragua; the taxpayers could not bear the burden. We have given Nicaragua two fair elections (1928, 1930); but we have not felt called upon to use our resources for material improvements which are a neces-

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sary part of any permanent solution along imperial lines. The stage is therefore set for the continuation of present disorders and the repetition of recent history. Moreover, by reason of Sandino, the particular situation from which we now propose to withdraw is far graver than that which preceded the withdrawal of the marines in 1925.

Two courses seem open to the United States:

(1) We may revert to the general rules of international law, abandoning the special recognition policy which we pursue in Central America and ceasing our effort to eradicate revolutions from Nicaragua. We should then hold contending factions to a due respect for the lives and property of our citizens, landing marines only in temporary crises for the protection of American lives. Such occasions ought to be rare, as the contending factions in civil wars, if left alone, usually try to afford foreigners due protection.[5] Most important of all, we should for the first time in over twenty years allow a Nicaraguan civil war to be fought to a finish by Nicaraguans and we should promptly recognize the winners so as to facilitate the speedy pacification of the country by the strongest party. We might properly insist on non-interference by outside governments, but this need not involve our own intervention, nor need the attitude we assume be made the subject of a treaty.

(2) We may continue to uphold the principle of legitimacy laid down in the Central American Treaty and to try to break the Nicaraguans of their revolutionary ways. (These ways have recently shown no signs of falling into desuetude in seven other Latin American states, or in Europe.) If this continues to be our policy it may be expected that, in view of the hostility of American opinion to prolonged marine occupations, in view of traits inherent in human nature in Nicaragua as elsewhere, and in view of our unwillingness as a nation to shoulder the responsibilities and costs of doing a thorough job of imperial administration in Nicaragua, such as we have done in the Philippines, we shall continue and develop a definite Nicaraguan cycle of "in again, out again."

[5] Incidentally, there is no reason for apprehension regarding our canal rights from any Nicaraguan party; every Nicaraguan desires nothing better than the immediate construction of the Canal.

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PRIVY COUNCIL VS. CABINET IN JAPAN

By Harold S. Quigley

WITHIN the last two years the Japanese Privy Council has twice opposed acts of the Cabinet which enjoyed the general support of the Japanese nation. In one case it compelled the Government to repudiate its signature of the clause "in the name of their respective peoples" in the Pact of Paris; in the other it embarrassed the Government by prolonged discussion of its procedure in the signature of the London Naval Treaty. In the former instance a Seiyukai cabinet was the object of attack, in the latter the ministry was Minseito. The Privy Council is no respecter of persons other than the Emperor.

The criticisms of the Privy Council which are voiced almost daily in the Japanese press are part of the aftermath of the manhood suffrage act, but the cue to their current intensity may be found in the extraordinary popularity enjoyed by the Minseito ministry, particularly the confidence generally exhibited in Premier Hamaguchi and Foreign Minister Shidehara. Hamaguchi, a powerful figure in his own right, is a courageous standard-bearer of the principle of parliamentary government. The people of Japan relish the leadership of a fighter; and although they are essentially conservative, the acquaintance with world affairs which they are gaining from the newspapers is influencing them in favor of the internationalist point of view. In recent controversies the Cabinet has been upholding this view against the Privy Council.

Liberalism is always relative to other circumstances. In the Japanese elections of 1930 (even making due allowance for Home Minister Adachi's cleverness as election manager) the landslide which overwhelmed what non-partisan critics rated as "the worst government Japan ever had" was an expression of liberalism. Home Minister Suzuki, in engineering the 1928 election for the Seiyukai, had been no less clever than Adachi and had enjoyed as great financial resources, but he had failed to secure more than a bare plurality. In 1930 the voters changed to a leadership which they believed to be more progressive and more in harmony with the trend of the times toward democracy and internationalism. Thus the second election held under the manhood suffrage act yielded the fruits for which its sponsors had hoped.

What are to be the consequences of these developments upon the control of foreign relations? Do they mean that the cabinets which succeed the present government will have the same success in translating policy into law? In particular, do they portend the end of the authority of the Privy Council and the rise of parliamentary control in the realm of foreign affairs? Is the last of the world's privy councils to join its European prototypes on the shelf of historical souvenirs?

The Privy Council in its present form is not an old institution. Established in 1888, it is younger than the Cabinet by three years. Its twenty-six members are all elderly men chosen for their distinction in various careers; they presumably are above ambition for active participation in public affairs. Count Ito called

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the Council "the highest body of the Emperor's constitutional advisers," the "palladium of the Constitution and the law." He recorded in his famous "Commentaries" his conception of its function: "planning far-sighted schemes of statecraft and effectuating new enactments, after careful deliberation and calm reflection, by instituting thorough investigations into ancient and modern history and by consulting scientific principles." It is a constitutional body, meeting in the Palace in the presence of the Emperor.

The purview of the Privy Council in its advisory function is as wide as the business of government. All statutes, imperial ordinances and treaties require its approval. The ministry must keep in constant touch with it, reporting from time to time upon the routine of administration and even asking its consent to the increase of a departmental staff by a single official. When we remember that the average age of Councillors is threescore and ten, we can easily understand the resentment of a cabinet of busy, energetic and progressive younger men at having to run to the Council for approval of their every important move.

The *Genro*, Japan's unique half-dozen elders of the Choshu and Satsuma clans, used to rule the state and dominate the Privy Council. The most powerful of them all, Prince Yamagata, was president of the Council from 1905 to 1922, and he packed the body with friends and relatives. His efforts were consistently directed toward extending the Council's supervisory powers and thwarting the growth of the Diet. Only since his death has it been possible to observe whether the Council is *per se* a serious obstacle to parliamentarism. The sole survivor of the *Genro*, Prince Saionji, is not a member of the Council.

The Privy Council's prime source of strength is its function of interpreting the Constitution. This function is also the principal source of criticism, since it leads to interminable inquisitions upon the compatibility of imperial ordinances, treaties and administrative actions with the terms and spirit of the Constitution. The Constitution is a sacred document; it has never been amended and a subject may not petition the Diet in behalf of an amendment. Since members of the Council are not chosen for their qualifications as constitutional lawyers, it hardly seems an appropriate body to exercise the function of interpreting the Constitution, and this despite the fact that it includes among its members two of Ito's coadjutors in the drafting of the Constitution.

The Privy Council's position in all matters of foreign relations is very strong because of the Diet's incapacity, under the Constitution, to act in that field. But this situation clearly is passing. As the parliamentary system becomes fixed, the Cabinet (as in England) will be called upon to acknowledge responsibility to the House of Representatives in the discharge of its duty in the foreign as well as in the domestic field. Even today the responsible ministers are careful to lay proposals on foreign policy before both Houses and to show themselves willing to reply to interpellations. So long, however, as the Privy Council has the final decision the part of the Diet will appear perfunctory.

Our exposition of the Privy Council's power cannot advance far without a reference to the parts played by the military and naval staffs and by the *Genro*. The place of the staffs in the constitutional system is one of direct responsibility to the Emperor in matters concerning the supreme command of the army and

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navy. They are authorized to formulate plans for the national defense as well as to devise schemes of strategy and tactics. The surviving member of the *Genro*, Prince Saionji, at the age of ninety-one continues to advise the Emperor and ministers on all aspects of state policy.

It may appear to the reader that in view of the Japanese Emperor's position as an absolute monarch it should be easy for him to choose between the advice offered by Cabinet, Privy Council, General Staff and *Genro*. But the Japanese constitution is like others in reading one way and operating another. The Restoration of 1867 did not greatly alter the Emperor's relation to administration, though it removed the last vestige of the feudal system and thus gave room for the Emperor to resume the dignity that his title demanded. The Constitution, promulgated in 1889, refused to acknowledge what everyone understood, and it is written in the terminology of absolutism. And thus it is that all who would not have their loyalty questioned, from peasant to professor, continue to speak of the Emperor as doing this, that and the other thing when all the professors and at least some peasants know that their country is ruled by an oligarchy which the political party leaders are struggling to overthrow.

It is this necessity for solemnity that retards parliamentary government in Japan. Since the Emperor cannot choose between the advisory groups, each is supreme within the range of its function. The Constitution does not specifically recognize the advisory spheres of the military departments nor the *Genro*. But the unwritten constitution does. For example, if the military leaders or the Council advise the Emperor contrary to the Cabinet's program this is equivalent to Imperial disapproval. Wherefore the obligation upon the Government to resign should such a contingency occur. To prevent such conflicts if possible, and to resolve them on the Emperor's behalf if necessary, has been the function of the *Genro*, a function to which long practice has lent an aspect of constitutionalism. It is apparent that what is needed, in the absence of a specific amendment to the Constitution, is the growth of an understanding or convention by which all executive agencies other than the Cabinet will be regarded as advisory to it as the single interpreter of the Imperial will. Thus the theory of the integral union of the dynasty and the state would be preserved while the course of administration and of legislation would be smoothed.

The obstacles to this development as a stage in constitutional evolution, a development which Prince Saionji is understood to favor, are so deeply rooted in Japanese political life that to remove them will be a slow process. The greatest obstacle is the persistence of the feudal tradition which continues to support, albeit less effectively as the years pass, the prestige of the great clan families which ruled pre-Restoration Japan and which manœuvred to increase their influence during the era of Meiji. The ramifications of this influence, so difficult to trace, extend throughout the executive agencies, the Imperial Household Ministry, the civil service and the House of Peers, weaving a curtain for the concealment of the older political forces, a net to enmesh the feet of "upstart" party politicians. A second obstacle is the extraordinary hold of the military services, based on the legal requirement that the heads of the war and navy ministries shall be high ranking officers and that they, and also the chiefs of the general staffs, shall report directly to the Emperor on matters affecting the supreme command. A third is the extremely bureaucratic spirit of all the

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government services — a spirit which extends into the educational field, and lends the whole Japanese scene an aspect of uniformity. Most restrictive of all is the apparent inability of all classes to apply their sense of humor to their conception of the State.

During consideration of the Pact of Paris in the House of Representatives the member generally recognized as one of Japan's most consistent liberal politicians introduced a lengthy interpellation from which the following is taken:

"According to the English or the French text of the treaty, it is the Japanese people, not the Emperor, who are the subject of the pact. In face of this, does the Government believe that the treaty neither contravenes the Japanese Constitution nor impairs the national policy of this country?

"If the anti-war treaty is ratified by the Emperor in its present form, it will mean that the Emperor declares for the exclusion of war either 'on behalf of the people' or 'by the mandate of the people.' In the case of monarchies like Britain and Belgium, where the monarchs simply preside and do not rule, it is proper that the peoples should be the subjects of treaties to be concluded, but in the case of this country, where the Emperor controls and exercises the supreme sovereign authority and monopolizes the right of concluding treaties . . . it is impossible for the people to become the subject of a treaty. . . .

"After what it has done the present Cabinet ought to go into sackcloth and ashes and await the Emperor's pronouncement of judgment on its offense."

The humor of the situation lies in the fact that where Premier Tanaka, head of the Choshu clan, saw no offense to the Emperor, a great liberal raised the cry of *lèse-majesté*. In so doing he stood shoulder to shoulder with the most conservative element in the Privy Council.

The views of the section of the naval service hostile to the London naval treaty were reflected by a section of the Privy Council. A minority supported the Government in seeking to ratify the treaty without argument. The majority accused it of having acted without justification in that it had not gained the approval of the Naval General Staff before signing the treaty. But the Cabinet was stronger than the opposition because it was generally known to be supported by Prince Saionji and by influential Imperial Household advisers. Consequently, Premier Hamaguchi found it possible not only to push the treaty through the Privy Council but also to refuse that body's requests for the report of the War Council to the Throne, for the appearance before it of the former Chief of the Naval Staff, and for a report from the Government upon its naval replenishment program. The Privy Council's discomfiture was complete.

It would not be difficult for the Government to assert its supremacy if it were free to exercise its power to appoint the members of the Privy Council without restraint from traditional forces. At present the Council's power to veto ordinances prevents a change in its organization or powers without its consent. No proposal of this character has been made public, but within recent months the Council itself has discussed the revision of its regulations. A general sentiment in favor of facilitating business was found to exist. To this end a group numbering half the membership proposed that the practice of withholding from members the text of measures laid before the Council by the Government until such measures have been considered by a committee should be abandoned and

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further, that any member who desired to attend committee sessions should be free to do so.

Granted that the foregoing analysis of the political forces operating today in Japan is correct, it is plain that we have not sufficient evidence upon which to base a confident opinion regarding the immediate trend in the evolution of the Privy Council. Its constitutional and legal powers are intact, though its prestige has suffered. There is no basis for prophesying an early change in its status. It did not reject the London Naval Treaty; it has never rejected a treaty. No one can say what would happen to it if it should reject a treaty. But there is little doubt that in such a case the Cabinet would resign.

The destiny of the Privy Council is wrapped up with that of the *Genro* and the military services. When the latter agree with the Council's position on a governmental proposal it is strong; when they disagree with it, it is weak. In speaking of the *Genro* today one includes with Prince Saionji a trio of Imperial Household ministers and a similar number of elder statesmen who are frequently consulted by governments on important matters and are sometimes spoken of as the *quasi-genro*. As long as the influence of these forces persists it is possibly an advantage to a party cabinet to have the Privy Council retained. At least it provides a forum in the full view of the public, whereas the struggle against *genroism* and militarism is a fight in the dark.

While it must be recognized that traditional agencies still control Japan's foreign relations, their hold has loosened perceptibly during the last decade. The center of popular interest today is the House of Representatives. The genuineness of this interest is shown in the crowded halls at campaign meetings, in the high percentage of those eligible to vote who vote at general elections, and in the attendance in the galleries of the Diet. It is in this capacity of the House to hold the popular interest and to justify popular expectations that the Cabinet must find authority to assert a priority over Privy Council, the military, *Genro*, Peers and Household Ministry. By means of precedents such as Hamaguchi has already set, the Cabinet must seek gradually to build up its position as the Emperor's supreme adviser; supreme because it is the mouthpiece of the people, whose rights and property the great Emperor Meiji, in promulgating the Constitution, declared that he would respect and protect.

The very definite progress which has been made along the road of democracy since the passage of the manhood suffrage act is having its influence upon foreign affairs and is assisting to overthrow the dual control which has been the bane of the Japanese Foreign Office. When Japan's chief delegate to the London Naval Conference returned to his home country he found the Government at loggerheads with the Naval Staff, but he also found that he was the hero of the populace, who thronged the station square in Tokyo to cheer him for his part in reducing the tension of naval competition and the burden of taxation. Another powerful aid to the Cabinet in its effort to advance to a position of control is the effect of foreign, particularly of American, opinion. One militarist after another is sacrificed to the general determination to keep step with other nations in the march toward disarmament and the peaceful settlement of international disputes. These influences do not wait upon constitutional changes; they produce situations which render old procedures obsolete.

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THE PASSPORT QUESTION

By Egidio Reale

THE World War brought back to governmental and public attention a problem which at the beginning of the century appeared to have been entirely settled — the problem of the passport. The passport does not date back further than the sixteenth century. After a short period of suppression during the French Revolution, it was very generally applied during the first half of the nineteenth century, but in the years immediately preceding the World War it remained in force chiefly as a police measure and as a means of defense used by autocratic governments. Condemned as despotic and as an unnecessary barrier to the freedom of communications, it survived in only a few countries of Europe — Russia, Turkey, Rumania, Bulgaria and the Austrian provinces of Bosnia and Herzegovina; it survived also in Colombia, Guatemala, Uruguay, Haiti and Persia.

In the confusion produced by the war, not only did the passport reappear, but it was used much more generally than ever before. During this time of general suspicion, of constant vigilance against military espionage and of food rationing (which made it necessary for governments to prevent the entry of new consumers) it seemed the only means of controlling aliens and of assuring the protection of the military and economic interests of the state. Reasonable persons hoped that with the return of peace would come a return to the former freedom from travel restrictions. But despite solemn declarations in the peace treaties, requests from international organizations and promises made by several governments, the compulsory passport system was not abolished, or even modified. It was to some extent made even stricter.

The League of Nations took up the problem at an early date. An international conference, held at Paris in October 1920, while recognizing the impossibility of a complete return to pre-war conditions regarding passports, recommended the introduction of a uniform type of passport, the exclusion of any fiscal features, the limitation of certain kinds of visas and the simplification of all formalities. This first attempt was not very successful. The Council's suggestion that the recommendations of the Paris Conference should be adopted was accepted by only a few governments, and subject to many reservations. There was a slight improvement in the system of visas, in accordance with special agreements based on reciprocity. For example, an agreement between the Succession States of the Austro-Hungarian Empire at a Conference which met at Gratz in January 1922 had certain limited results, and an agreement between France, Belgium and Luxemburg provided that official identity cards might take the place of passports. But the results of these efforts were so meagre that many international organizations appealed insistently for a more general solution of the problem. Consequently, a second Conference on Passports was convened at Geneva in 1926. The program was laid down by the Sixth Assembly of the League of Nations in 1925, in a resolution urging the abolition of the passport system to the widest extent possible. But even this new Conference did not achieve appreciable results.

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The League was more successful in dealing with one of the particular problems connected with passports — that relating to special identity cards and traveling permits for Russian and other refugees. The success was due not only to the special conditions of the problem itself, but also to the unfailing zeal of a man to whom science and humanity owe much, the late Dr. Nansen. The problem of the Russian refugees appeared in all its gravity even before the end of the war. The Bolshevik Revolution had put about two million Russians outside the law and deprived them of all civic rights. The majority of them were concentrated in Eastern Europe. They had no means of traveling to countries where living costs were lower and where there were more opportunities to find work. In 1921 Dr. Nansen was appointed High Commissioner to solve this problem. At a conference of delegates from the states chiefly interested, held at Geneva in July 1922, it was decided to introduce a special certificate. On presentation of this "Nansen passport," which did not entitle the holder to return to the country which had issued it, the refugee could be admitted to the state to which he intended to travel, either after a visa had been affixed or after he had received a certificate permitting him to cross the frontier. Fifty-one governments acceded to the agreement relating to this certificate, and accepted the obligation to recognize its validity.

This success induced the Council to extend the system in 1924 to another large group of refugees — the Armenians. A Convention, drafted by Dr. Nansen and approved by the Council, was acceded to by thirty-eight states. In 1927, the Nansen passport was further extended to Assyrians, Assyro-Chaldeans and Turks who had lost their nationality. Proposals for a still wider and more liberal extension failed owing to the opposition of a few states.

Many problems still remain to be solved. For example, the Nansen passport should be extended to the numerous Russians who, although not affected by the decree of expatriation, are no longer protected by the Soviet Government and therefore cannot obtain or renew a regular passport. There is no reason to refuse to them the document which is issued to other refugees. It is also necessary to facilitate the issue of visas (without which the Nansen passport is often useless) and to provide in certain cases for the possibility of return to the country of departure. Finally, there remains the great problem of extending the issuance of Nansen passports or similar documents to all exiles and refugees. This problem calls for solution not only for reasons of humanity, but also in the interests of public and social order in the countries which have given hospitality to these sometimes very numerous groups of people. Obviously, it is not desirable to increase the number of persons having no nationality and having therefore no country to which they can appeal for protection. But even if the states should agree to naturalize without exception all refugees within their borders, it would not be possible to insist that the refugees must give up their original nationality in order to accept another. Until each government comes to understand that it cannot refuse protection to its citizens abroad, and until the problem of the person without nationality is dealt with from the international standpoint, it is necessary to extend collective protection to all refugees.

The profound changes and bitter political strife of recent years have multi-

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plied the number of political exiles and have given very real importance to their problems. The question was raised in precise and concrete form at the International Conference on Passports held at Geneva in 1926. The German delegation suggested that the Conference should examine the possibility of introducing an identity document that would be uniform for all persons unable to obtain a passport. A special committee of experts, after studying this proposal, decided in favor of the introduction of some such international document, to be issued to all persons (1) deprived of nationality; (2) of uncertain nationality; or (3) who, although having a nationality, were unable to obtain a passport from the authorities of their country of origin. It was suggested that this document be delivered to the persons concerned by the authorities of the countries where they reside, and under their responsibility. But this proposal met with unyielding opposition from the governments of certain countries (and in particular Italy) which maintain an exceptionally restricted policy regarding the issuance of passports. When the draft submitted by the committee of experts was brought before the third General Conference on Communications and Transit, which met at Geneva in August 1927, bitter criticisms were raised. The Italian delegation threatened to withdraw if the Conference insisted on discussing the possibility of extending the special protection provided by the proposed document to political exiles deprived of national protection. Owing to this determined opposition, the Conference closed without approving the draft convention, limiting itself to a mere recommendation of the issue of identity papers and traveling permits only to persons deprived of their nationality, or of uncertain nationality.

The institution of dictatorial governments in some European countries has made the problem more serious. Recent laws in certain states allow administrative and political authorities to deprive of their nationality all persons whose political conduct or opinions are unfavorable to the government of the country. Such persons are placed in a curious position. Driven from their own country, whose nationality they do not wish to renounce, faced with great difficulties in case they decide to try to acquire another nationality, they find themselves deprived of elementary rights. Scattered throughout the world, often persecuted by their own governments, they are forced to earn their living under most unfavorable conditions. If they try to travel to countries where they think they might find work, they are prevented from doing so because they lack the necessary papers. There are others, too, who though they have not lost their nationality nevertheless are unable to obtain a passport or equivalent document. These can neither remain in the countries in which they are living nor travel to another. They are therefore obliged to provide themselves with false documents or else to make a secret entry into the countries which they wish to visit. Expulsions, law suits, difficulties of every kind follow. These difficulties can be removed only by international agreement.

Beyond this particular problem is the general problem of the compulsory passport system. The Geneva Conference in 1926 expressed the hope that special agreements between various states might bring about a gradual return to pre-war conditions. Special agreements have been numerous recently, and have resulted in appreciable progress with regard to the abolition of visas and the facilitating of control formalities. Certain European countries no longer

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insist on the necessity of a visa, which has caused so much trouble and expense for those who are obliged to travel in several countries. Thus, United States citizens no longer need visas in order to visit Belgium, Denmark, Italy, Lichtenstein, Norway, Sweden and Switzerland. Outside Europe, they do not need passports in Liberia, Nicaragua or Siam.

But no progress has been made in the last few years in the task of abolishing the passport altogether. In certain respects the position has become even worse. In some countries it is now customary to withhold passports from opponents of the régime in power, thus inflicting punishment on them for their political views. Apart from this use of it as a political weapon, the passport serves no real purpose except to raise money through the fees collected. But the reduction of the fees for the issuance of passports and the gradual abolition of the visa have cut heavily into profits. In most countries the expenses of running the passport organization are higher than the income which it produces.

The passport no longer affords a means of controlling the movements of foreigners and facilitating the action of the police and law courts. As long as the system of visas was applied generally, some control was still possible. The authorities of the state could refuse to give a visa without a rigorous inquiry (though this proved very difficult). But with the gradual abolition of the visa, this control is no longer effective. Without the necessity of a visa, the passport no longer affords any guarantee regarding the person in whose name it is issued, for in most countries a passport is issued to anyone who asks for it and pays the fee. Even in countries where greater precautions are taken at the time of issuance, the passport is refused only for political reasons having no connection with the moral standing or social position of the applicant or with the object of his or her journey.

On the other hand, those who wish to evade the passport control at frontiers can do so very easily, nor is it difficult to obtain a false passport when necessary, for expert workshops turn out false documents that defy detection. Some countries, realizing that the passport is an inefficient method of control, have substituted other more efficient means. Many now lay down the obligation for foreigners and for those who give foreigners lodging to inform the police, and many now also issue permits for residence in the country and identity cards. Simultaneously there has been a steady improvement in international police organization. These new methods, indeed, afford a much more effective control than is offered by passports.

It is a fallacy, too, to suppose that the compulsory passport system is a satisfactory means of preserving public and social order. As a method of isolating revolutionary doctrines or ideas which are considered dangerous it is a rank failure. No passport systems were better organized or more strictly enforced than those of Italy before 1870, of the Turkish Empire or of Tsarist Russia; but the new currents of thought which were sweeping the world paid no attention to the passport barriers erected about those countries with such trouble and foresight.

All in all, the passport seems an anachronism in the modern world. It serves no real purpose, and it puts in the hands of unscrupulous régimes a fine weapon for the abuse of power.

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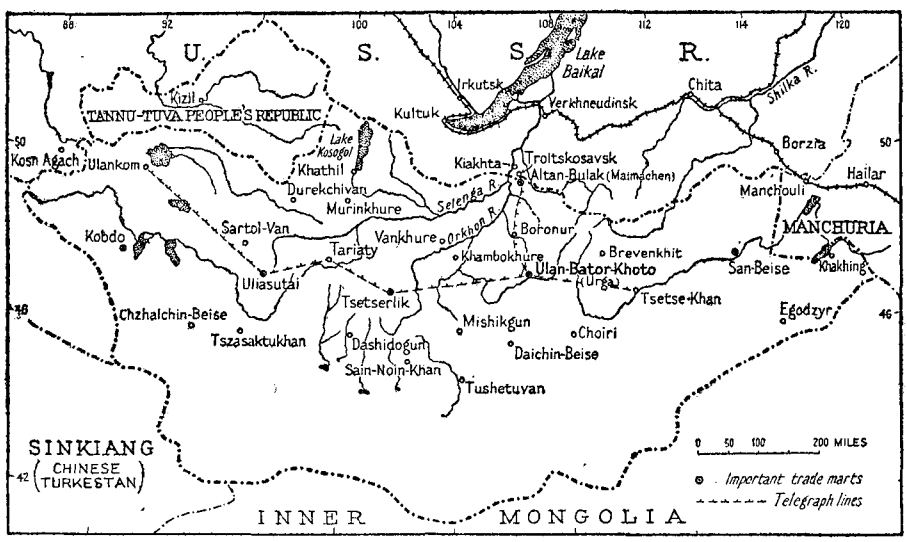
A SOVIET SATELLITE: OUTER MONGOLIA TODAY

By I. I. Serebrennikov

FOR many years past Mongolia has been loosely divided into two areas: Inner and Outer Mongolia. Inner Mongolia, which borders on China, has been incorporated into new special administrative areas in China, and is therefore politically indistinguishable from that country. Outer Mongolia, with which this article is concerned, has an area about a third of that of the United States, and supports a population of nearly 700,000, most of whom are half-nomadic. Over this huge domain, which abuts for more than a thousand miles on Asiatic Russia, Moscow now exercises what to all intents and purposes is an overlordship, keeping Outer Mongolia practically closed to the outside world. For this reason reliable information about Mongolian conditions is difficult to obtain.



Outer Mongolia has long been a football between China and Russia not only because of its position as a buffer state but also because of its chronic weakness. In the seventeenth century, after its decline from world power, it came under the dominion of the Manchu emperors of China, but when the Manchu dynasty came to an end in 1911 the country declared its independence of the new Chinese Republic. This was the signal for constant manœuvering between China and Russia, which was expressed in a series of invasions of Mongolia. In 1915 the Sino-Russo-Mongolian tripartite agreement established Mongol autonomy under Chinese suzerainty, but the régime was short-lived, and in 1921 Urga, the capital, was occupied by Soviet troops and Outer Mongolia again proclaimed its independence.

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Russia in 1924 recognized Chinese sovereignty over Outer Mongolia; despite that fact it remained independent, and in 1924 it established a republican form of government closely modeled on that of Moscow. The extent of the relationship may be gathered from a description of the machinery of government. The dictatorship of the Communist Party in Soviet Russia is paralleled in Mongolia by the dictatorship of the so-called People's Revolutionary Party, and the Mongolian Government is powerless to make any important decision or to undertake any responsible work without the sanction of the central party organization, which meets at Urga, or, as it is now called, Ulan-Bator-Khoto (city of the Red hero).

By the end of 1925 this party, which was established in 1921, had organized throughout Outer Mongolia about 150 party "cells," comprising about 4,000 members, or less than 1 percent of the population of the country. Following the Russian precedent, the leaders tried to conscript members for the party exclusively from among the poor and middle classes; access to the party was made easy for the *arats* (or peasantry) and difficult for the *taijis* (or nobles) and lamas (or priests). Accordingly the *arats* represent 80 percent of the total membership, the *taijis* 12 percent and the lamas 8 percent.

According to the constitution, which was adopted in 1924, Outer Mongolia is an independent republic in which the laboring classes hold supreme power. The people appoint their high officials through the Great Khuruldan, or assembly of the people's representatives, which elects the government, or Little Khuruldan. Lands, mineral wealth, forests, and waters and their resources are the property of the people. Foreign loans before the revolution of 1921 are considered as "having been forcibly imposed" and are therefore regarded as null and void. A provision of outstanding significance in a country formerly ruled by priest-kings is that which declares the separation of Church and State and proclaims the principle that "religion is the private concern of every citizen." The titles, class distinctions and sovereign rights of the former ruling princes and nobles are abolished. As circumstances permit, a state monopoly of foreign trade is to be gradually introduced. Local government is vested in the various territorial units, which graduate in size from the *arban* (10 tents) to the *baga* (150 tents), *somon* (several bagas), *hoshun* (several somons), and *aimak* (several hoshuns). Part of the old territory on the Siberian border has broken away from Mongolia and set itself up as the Tannu-Tuva People's Republic.

Outer Mongolia is a country of illiteracy and disease. Only 5 percent of the population can read and write. Two expeditions sent out by the Soviet Government to investigate sanitary conditions in Mongolia reported that among the Mongols there was a great deal of venereal disease, a comparatively low birth rate, a high mortality rate among children, widespread tuberculosis, and general ignorance of the most elementary rules of sanitation and hygiene. In view of this state of things, some of the accomplishments of the new government are noteworthy. The Ministry of the Interior has organized a veterinary department, an anti-plague station, a bacteriological laboratory and a veterinary school. The Ministry of War has established a special health department, which with the assistance of a number of Russian surgeons gives medical aid to the people. The Ministry of Public Instruction organized a Scientific Committee for Mongolian Research Work, which has built up in Ulan-Bator-

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Khoto a state library containing some thousands of volumes. The Ministry of Justice has abolished many primitive methods of punishment such as death by starvation, wearing of the *dunga* (wooden neck-stock) and use of the *tashur* (whip), and has begun reforming the criminal code.

Many other reforms stand to the credit of the new government. It was not so many years ago that barter governed the generality of business transactions. Under the new régime the Ministry of Finance has established the Mongolian State Bank, and in 1925 introduced a state monetary system, based on the Mongolian dollar, or tuhrik, a silver coin the value of which was fixed at 90 cents of the Chinese dollar, or about 36 cents in United States currency. Measures for the improvement of Mongolian cattle, and regulations governing forests, mines and the fur trade have also been put into effect.

The Mongolian Government has a monopoly of the sale of spirits, wines and beer, and of the export of certain raw materials. Attempts have been made to attract foreign capital for exploiting the mineral wealth of Mongolia, but apparently foreigners cannot be induced to take up these concessions because of the uncertain political situation. There are several state farms and also a few state industrial enterprises, including an electric power station in Ulan-Bator-Khoto, coal mines at Nalaiha (near the capital) and some factories working on raw pastoral products.

Almost all official and semi-official establishments in Mongolia are in dire need of trained specialists. These the Mongolian authorities are compelled to obtain from abroad—at present almost exclusively from Soviet Russia. The experience of the Mongolian Central Coöperative is typical. During the first two years of the existence of this coöperative its accounts were kept in the Mongolian language by Mongolian bookkeepers and clerks. But it was found that this kind of work was beyond the abilities of Mongolians, and the coöperative was obliged to invite in Russian collaborators. In 1923 Russian specialists took charge of the accounting department and its records were kept in Russian. Three years later the 786 persons on the staff of the coöperative were divided as follows: 361 Russians, 257 Mongols, 95 Buriats (from Siberia) and 73 of other nationalities. The Mongols were but one-third of the total working personnel. In the foreign offices of the coöperative there was not a single Mongol.

The more important trade marts of Outer Mongolia are Ulan-Bator-Khoto, Altan-Bulak, Uliasutai, Kobdo and San-Beise. All the government buildings and many business offices are concentrated in Ulan-Bator-Khoto, a city of about 60,000 inhabitants. Altan-Bulak (formerly Maimachen), situated opposite the Russian town of Kiakhta, at the present time appears to be the most important industrial town, and in it are located several factories. Uliasutai is an important trade center for the central part of the country. Kobdo is the administrative and trade center for western Mongolia, and has close trade relations with western Siberia and Chinese Turkestan. San-Beise is the trade center in the east, and has trade relations with the Zabaikal province in Siberia and with Manchuria; it is growing very rapidly and shows constantly increasing trade returns.

The principal livelihood of the nomadic Mongols is cattle breeding. According to the official estimates for 1926, the total number of cattle bred was 19,222,000 head: 419,000 camels, 1,591,000 horses, 1,957,000 oxen and cows,

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12,726,000 sheep, and 2,529,000 goats. The census of 1924 showed that the Mongolian families having no cattle made up 6 percent of the total number of nomad families; families with less than 100 *bodo*[1] of cattle, 86.5 percent; families with from 100 to 700 *bodos*, 7 percent; and families with more than 700 *bodos*, 0.5 percent. According to the estimates of Soviet economists for the years 1926–27, cattle breeding (*i.e.*, live cattle, wool, hides and skins, etc.) was valued at 16,000,000 tuhriks (about $5,760,000). It is carried on in a very primitive way. The cattle graze throughout the year on pasture lands and feed on old grass in winter.

The second important source of national revenue is the fur trade. In Mongolia there are marmots, squirrels, foxes, wolves, wild cats, hares, skunks, bears, panthers and many other fur-bearing animals. According to local statistics the furs taken annually are valued at about 5,452,000 tuhriks ($1,962,720).

In the nomadic circumstances of Mongol life agriculture spreads very slowly. Cultivated areas are situated mostly in the basins of the Selenga and Orkhon rivers, where there are small agricultural villages, mostly Chinese and Russian. Mongolian agriculture is found in the western part of the country, chiefly in the Kobdo region, but little land has been turned over. In 1928 farm lands under cultivation comprised about 105,000 acres, or less than 1/5,000 of the total area of Mongolia. The total agricultural production may be estimated at about 22,950 tons, valued at 4,800,000 tuhriks ($1,728,000).

Mining is still in its infancy, in spite of large mineral deposits. The gold mining company "Mongolor," which was in operation before the revolution, had many gold fields under its control and during the years 1901–1919 produced in Mongolia more than 10 tons of gold. There are shale coal mines in Nalaiha (near Ulan-Bator-Khoto), which produced in 1927 about 10,000 tons of coal. Other mineral products are salt and precious stones.

Industry in Mongolia is only just beginning and has a state capitalistic character, working mostly on raw pastoral products. Already there are industrial enterprises turning out rough woolen cloths, common Mongolian shoes and boots, soap, sausages and other smoked products; there are also a few flour mills, an electric power station, a confectionery factory and a brick works. The total production of all these factories and of other similar small enterprises does not exceed 3,000,000 tuhriks ($1,080,000).

Conditions of transport in Mongolia are very primitive, corresponding to the general level of the cultural and economic life of the country. There are no railways. Goods are carried mostly on the backs of animals, and in carts drawn by oxen, camels and horses. The last few years have seen the development of motor transportation, mostly on the route between Ulan-Bator-Khoto and Kalgan. Last year more than two hundred motor cars were used on this road.

The main trade routes in Mongolia are as follows:

1. Ulan-Bator-Khoto to Altan-Bulak, 210 miles, connecting Mongolia with Siberia and continuing to Kiakhta and Verkhneudinsk, 160 miles farther on.
2. Ulan-Bator-Khoto to Kalgan, 660 miles, the chief trade route to China.
3. Uliasutai to Kalgan, 1,060 miles.

[1] A *bodo* is the unit of local taxation. One *bodo* is the equivalent of a cow, a horse, 7 sheep or 14 goats. A camel is reckoned as two *bodos*. In calculating the *bodo* young cattle are not taken into account.

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4. Kobdo to Biisk, 560 miles.
5. Kobdo to Kosh Agach, 230 miles.
6. Khathil (on Lake Kosogol) to Kultuk (on Lake Baikal), 240 miles.
7. Uliasutai to Khathil, 340 miles.
8. Ulan-Bator-Khoto to Uliasutai, 660 miles.
9. Ulan-Bator-Khoto to San-Beise, 450 miles.
10. San-Beise to Borzia, 200 miles, the main trade route connecting Mongolia with the Siberian-Zabaikal Railway.
11. San-Beise to Hailar, 300 miles, the principal trade route between Mongolia and Manchuria.
12. Kobdo to Uliasutai, 290 miles.

In all Mongolia there is only one small steamer in use, on Lake Kosogol. Special research parties have reported that steam navigation is possible on the Selenga River 197 miles from its mouth, and on the Orkhon River 194 miles from its mouth. On these rivers only steamers with a shallow draft can ply. Some dredging was done in 1925, and in the following year the Mongolian Government concluded a treaty with the Soviet Government establishing steam navigation on these two rivers and aërial postal and passenger communications between Ulan-Bator-Khoto and Verkhneudinsk. Telegraph facilities have also been extended, as shown on the accompanying map.

The national net income may be reckoned at from 25 to 30 million tuhriks (about $10,000,000) yearly. Domestic trade, which has developed slightly and is very profitable, constitutes only a small part of this total, since three-fourths of all internal trade is in foreign hands, mostly Chinese and Russian. Foreign trade is steadily increasing. The following figures give a good idea of its growth:

Year	*Exports in thousands of tuhriks*	*Imports in thousands of tuhriks*	*Total*
1924	19,376	18,196	37,572
1925	19,765	19,647	39,412
1926	24,838	22,115	46,953
1927	25,259	24,608	49,867

Outer Mongolia exports principally furs and agricultural products, and imports mostly commodities for general consumption — foodstuffs, clothing and cloth goods, tobacco, spirits and wines, and hardware; machinery and other productive commodities have been imported only during the past few years.

The foreign trade of Outer Mongolia is principally with China and Soviet Russia. The trade with other countries is insignificant and is carried on chiefly through China. In recent years the ratio of trade with Soviet Russia has increased at the expense of that with China, as shown by the following table:

Year	*Percentage of trade with China*	*Percentage of trade with Soviet Russia*
1924	85.7	14.3
1925	78.3	21.7
1926	68.7	31.3
1927	63.6	36.4

In the economic sphere it is the Soviet hope to transform the Mongolian Republic into a Soviet colony for its supplies of raw materials. In its export trade with Mongolia it is perhaps restrained by its industrial weakness. At any

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rate, China possesses more than three-quarters of the import trade of Mongolia, and there is little possibility that this proportion will be diminished for some time to come, as Chinese wares are suited to the tastes and demands of the Mongols and can hardly be replaced by similar wares of foreign origin. These include such articles as tea, tobacco, silks, jewelry, textiles, rice, iron bowls, and such foreign goods imported through Chinese territory as cooking utensils, ready-made clothes, rubber goods and electrical fittings.

A certain percentage of foreign trade is handled by Soviet economic organizations and other foreign firms. In 1925 there was a total of 301 foreign firms — 283 Chinese, 10 British, 5 American and 3 German — but the number of foreign firms has since decreased. By far the biggest factor in Mongolia's foreign trade, however, is the Mongolian Central Coöperative, which is the instrument of government monopoly. By 1928 this organization had got control of one-quarter of all the foreign trade of the country. The Soviet Government conducts its trade in Mongolia through a separate organization called the "Stormong."

The Mongolian Central Coöperative works in close contact with the Mongolian Trade Bank. This bank was established in 1924 by the Mongolian Republic conjointly with Soviet Russia. According to the statutes of the bank its purpose is to consolidate the economic relations of both states, to develop trade and industry in Mongolia and to strengthen its money circulation. The bank was capitalized at 500,000 gold rubles, one-half of which was contributed by the Mongolian Government and the other half by the Soviet Government. This bank plays the important rôle of a state bank and is very active in currency reform and has reserves of gold and silver as security for the issue of bank notes. In January 1928 the capital was 1,650,000 tuhriks ($594,000). In its current and deposit accounts were 3,847,620 tuhriks ($1,385,143), chiefly accounts of the different state trade organizations of Mongolia and Soviet Russia. Private accounts amounted to only about 300,000 tuhriks ($108,000). The total indebtedness to the bank on open credits about this time was 8,561,000 tuhriks ($3,081,960). This sum was distributed chiefly among the different Mongolian and Soviet organizations and establishments.

Last year special credits were opened for the financing of pastoral and agricultural activities of the Mongolians, and measures were taken to attract small savings among the Mongolian people at various places. For these purposes several branches have been opened. The balance at the bank on July 1, 1928, showed 24,065,000 tuhriks ($8,663,400).

We have seen that Soviet activities have resulted in fundamental changes in the political and economic organization of Outer Mongolia. While many of the internal reforms now being carried out under the guiding hand of Moscow represent progress, the political changes have in general been most upsetting. The lamas, who were formerly all-powerful, have completely lost their influence on state affairs. Many old and experienced Mongolian politicians are leaving the political arena, and their places are being taken by younger men who have been trained on communistic principles by Soviet teachers. On the other hand, Soviet aid has permitted the gradual development of the productive forces of the country, and modern methods are slowly being introduced in agriculture and in business. Outer Mongolia is potentially an important country; her destiny seems now to be bound up with that of Soviet Russia.

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SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

By William L. Langer

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General International Relations

TEN YEARS OF WORLD CO-OPERATION. Geneva: Secretariat of the League (Boston: World Peace Foundation), 1930, 467 pp. $3.50.

The last decade has seen the publication of a large number of brief and popular books on the activities of the League, written in all languages and some of them very good. The distinguishing feature of this volume is that it is the work of the League Secretariat itself, brought out on the occasion of the tenth anniversary of the establishment of the League. In his foreword Sir Eric Drummond emphasizes the fact that the book is not history, but merely a succinct statement of the facts. So much the better for the large number of people who desire not a discussion of the League's activities, but an analysis of the machinery set up at Geneva and a description of actual procedure as it exists after ten years of growth. One can have nothing but praise for this compact survey. The writers are all of them thoroughly competent and speak with the authority that comes from first-hand knowledge. The material is comprehensive and well integrated, while the bibliographies of the League's publications and of books about the League will help those who wish to follow the subject further. Whatever one's views about the League, one is bound to welcome so convenient and authoritative a statement concerning a really great experiment in the organization of international relations.

POLITICAL HANDBOOK OF THE WORLD, 1931. EDITED BY WALTER H. MALLORY. Published for the Council on Foreign Relations. New Haven: Yale University Press, 1931, 208 pp. $2.50.

During 1930 there were seven revolutions, a score of general elections and important cabinet changes in many other countries. The results of these and many other changes have been included in the current edition of this valuable handbook, which is revised as of January 1, 1931. A section on the organization and personnel of the League of Nations has been added. This indispensable volume gives accurate and up-to-date information on the parliaments, parties and press of the various countries.

SURVEY OF INTERNATIONAL RELATIONS 1929. By Arnold J. Toynbee and V. M. Boulter. New York: Oxford University Press, 1930, 557 pp. $7.00.

This latest volume in the well-known series published under the auspices of the Royal Institute of International Affairs is particularly interesting because it comes close to current problems. The first part deals with the all-important subjects of disarmament and security, as well as with economic affairs. It includes, therefore, a complete account of the preparation of the London Conference on Limitation of Naval Armaments and special sections on the international conferences on economic coöperation and on the history of reparations from the Dawes Plan to the Young Report. Part III takes up Tropical Africa, which presents a number of little known but interesting problems. The Far East comes in for full treatment, while the concluding part reviews the Lateran Treaties. It is hardly necessary to refer again to the excellence of scheme and of presentation characteristic of these volumes. Only the student of earlier phases of diplomatic history can appreciate to the full the immense value of such a digest as the "Survey"

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and he will not be loath to repeat expressions of gratitude and admiration as the successive volumes of the series appear.

DOCUMENTS ON INTERNATIONAL AFFAIRS. Edited by John W. Wheeler-Bennett. New York: Oxford University Press, 1930, 362 pp. $5.00.

This second volume of documents to accompany the "Survey" is a distinct improvement on the first. The selection of material has been judiciously made and the explanatory notes are brief and to the point.

INTERNATIONAL UNDERSTANDING. By John E. Harley. Stanford: Stanford University Press, 1931, 604 pp. $7.50.

A comprehensive if rather unbalanced survey of agencies which devote themselves to education in international affairs.

THE FIGHT FOR PEACE. By Devere Allen. New York: Macmillan, 1930, 751 pp. $5.00.

A broad history of the peace movement in the last century, together with a review of the problem and the organizations designed for its solution.

TRAITÉ DE DIPLOMATIE ET LE DROIT DIPLOMATIQUE. By Raoul Genet. Paris: Pedone, 1930, 608 pp. Fr. 120.

The first volume of an exhaustive scholarly study.

LA PROTECTION DES POPULATIONS CIVILES CONTRE LES BOMBARDEMENTS. By A. Hammerskjöld and others. Geneva: Comité International de la Croix-Rouge, 1930, 253 pp. Fr. 10.

A collection of opinions by eminent jurists, setting forth the unsatisfactory nature of present laws on the subject.

LE PROBLÈME DE LA SECURITÉ INTERNATIONALE. By Waheed Raafat. Paris: Pedone, 1930, 684 pp. Fr. 80.

A substantial historical introduction followed by an analysis of the problem as it presented itself at the Peace Conference and during the post-war decade.

INTERNATIONAL CONTROL OF AVIATION. By Kenneth W. Colegrove. Boston: World Peace Foundation, 1930, $2.50.

One of the excellent general handbooks published periodically by the World Peace Foundation.

INTERNATIONALES LUFTRECHT. By Kurt Volkmann. Berlin: Dümmler, 1930, 218 pp.

An authoritative statement of the international law of the air.

LE DANGER AËRIEN ET L'AVENIR DU PAYS. By Lieutenant-Colonel Vauthier. Paris: Berger-Levrault, 1930, 388 pp. Fr. 25.

A competent analysis of the nature of aerial warfare, followed by an original and thoughtful study of the fundamental principles of national defense.

LA CONCILIATION INTERNATIONALE. By A. de Saint-Seine. Paris: Rousseau, 1930, 218 pp.

A general survey of the principles and practice of conciliation in the post-war period.

L'EUROPE ET LES ÉTATS-UNIS DEVANT LA SOCIÉTÉ DES NATIONS. By Pierre Mariotte. Paris: Éditions Internationales, 1930, 300 pp. Fr. 40.

The author examines in detail the elusive question of the relation of the United States to the League's work, and its obligations in that connection.

LA QUESTION DES ZONES FRANCHES DEVANT LA COUR PERMANENTE DE JUSTICE INTERNATIONALE. By Henry Trémaud. Paris: Sirey, 1931, 296 pp. Fr. 40.

An exhaustive discussion of a vexed problem of international relations.

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THE MANDATES SYSTEM. By Norman de M. Bentwich. New York: Longmans, 1930, 211 pp. $5.50.

The Attorney-General of Palestine reviews the working of the various mandates, especially the A Mandates. One of the best books on the subject.

REPARATION REVIEWED. By Sir Andrew McFadyean. London: Benn, 1930, 220 pp. 8/6.

The author has been intimately connected with the Reparation Commission and other bodies concerned with the problem over a period of many years. Like others who can speak authoritatively on the subject, he abstains from vituperative polemics and takes a reasoned attitude towards the whole matter. He brings out once more, and in very telling fashion, the disasters wrought by the unhappy union of economics and politics, and has some strong words both for Lloyd George and for Poincaré. For him, too, the Dawes Plan was the break of dawn. Not that he or any of his colleagues regarded it as a panacea or even as a permanent arrangement. But it paved the way for the settlement embodied in the Young Plan. Sir Andrew's book is not a book of revelations. It cannot even be said that it contains many novel ideas or interpretations. But it is authoritative, substantial and clear throughout, and is easily one of the best guides in English for the student who tries to find his way through the labyrinth of an intricate problem.

INFORMATION ON THE REPARATION SETTLEMENT. By John W. Wheeler-Bennett and Hugh Latimer. London: Allen and Unwin, 1930, 254 pp. 10/.

An admirable introduction to the study of the Young Plan and the Hague Conference.

LE PRINCIPE DES NATIONALITÉS. By Robert Redslob. Paris: Sirey, 1930, 275 pp. Fr. 40.

A scholarly review of the origins, psychological foundations and constituents of nationality, with a discussion of possible solutions for the problems raised by the application of the principle.

PROBLEMS OF THE GERMAN-AMERICAN CLAIMS COMMISSION. By W. Kiesselbach. New York: Oxford University Press, 1930, 135 pp. $1.50.

A translation of a German study, published by the Carnegie Endowment.

International Relations of the United States

SURVEY OF AMERICAN FOREIGN RELATIONS, 1930. Edited by Charles P. Howland. Published for the Council on Foreign Relations. New Haven: Yale University Press, 1930. $5.00.

This volume is the third of the important series prepared under the direction of Charles P. Howland for the Council on Foreign Relations. The current study is divided into three sections. The first is devoted mainly to the relations of the United States with China. The second, on "World Order and Coördination," deals with limitation of armaments and the Pact of Paris. The last section, on "Post-War Financial Relations," is largely concerned with the Young Plan and the metamorphosis of Alien Enemy property in the United States. Where necessary, the subjects treated have been put in their proper historical setting. Both in organization of facts and in interpretation the volume shows a thorough grasp of the complicated problems under discussion, and like its predecessors will occupy a permanent place on the shelves of those concerned with American foreign policy.

THE AMERICAN LEVIATHAN. By Charles A. Beard and William Beard. New York: Macmillan, 1930, 824 pp. $5.00.

This stimulating analysis of our governmental system contains interesting chapters on the conduct of foreign policy, imperial problems and the military system.

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INTERPRETATIONS OF AMERICAN FOREIGN POLICY. Edited by Quincy Wright. Chicago: Chicago University Press, 1930, 269 pp. $3.00.

Harris Lectures, in which G. H. Blakeslee, George Young, Yusuke Tsurumi and others survey various aspects of American policy.

HENRY WHITE. By Allan Nevins. New York: Harpers, 1930, 530 pp. $5.00.

Few Americans have been prominent for so long in the field of diplomacy as Henry White. His activities, closely connected with world affairs for the whole generation preceding the World War, illustrate once again the tremendous importance of experience and personality in the solution of difficult problems. The reader will be surprised to learn of the influence of White in the settlement of such questions as the Venezuela Boundary and the Panama Canal disputes, to say nothing of his part in the adjustment of the Moroccan difficulty at the Congress of Algeciras. Naturally the most interesting section deals with the Peace Conference, which White attended as the only Republican plenipotentiary. The description of his attitude towards the treaty and of his great efforts to get it accepted by the Senate, in the teeth of opposition from Lodge and his followers, makes political reading of the very highest order. It is hoped that this book will have wide circulation, for it is admirably fitted for the further education of Americans in the field of international affairs.

THAT MAN DAWES. By Paul R. Leach. Chicago: Reilly and Lee, 1930, 349 pp. $4.00.

A biographical sketch, by the political writer of the *Chicago Daily News*.

I. AMERICANS. By Salvador de Madariaga. New York: Oxford University Press, 1931, $2.50.

Really a collection of essays and addresses dealing with international coöperation. Like all the author's writings they are full of discernment and originality.

The World War

DENKWÜRDIGKEITEN. By Fürst Bernhard von Bülow. Berlin: Ullstein, 1930, two volumes, M. 28.

These first volumes of Prince Bülow's long awaited memoirs cover the period from the beginning of his activity as Minister for foreign affairs in 1897 to the end of his chancellorship in 1909. The period in general and German policy during it in particular have been the subject of heated discussion in Germany for some time, and it is to be expected that these recollections will stimulate rather than settle the argument. These years were unquestionably the most crucial in the development of the international situation before the war, for they were the years of the formation of the Triple Entente and the evolution of the Anglo-German tension. Quite apart from the new factual material supplied by these volumes, they are especially valuable for the light they throw upon Bülow's character and upon his methods of work. There can no longer be the slightest doubt that personal relations played an inordinate part in the conduct of German foreign policy, and that Bülow was more intent on the problem of dealing satisfactorily with the Emperor than upon any other one thing. It is well known that he was unusually successful in this respect until the final debacle of the *Daily Telegraph* interview, but one is forced more and more, after perusing these volumes, to the conclusion that Bülow's influence was, on the whole, detrimental. In his efforts to be agreeable to the Emperor he encouraged him, frequently with unfortunate results. Bülow himself was clever rather than profound. He lacked the directness of purpose and the psychological understanding of a Bismarck, and was all too much inclined to content himself with superficial successes, instead of attempting to get at the root of a matter.

MEINE DREISSIG DIENSTJAHRE. By Oscar, Freiherr von der Lancken Wakenitz. Berlin: Verlag für Kulturpolitik, 1931, 326 pp. M. 10.

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Lancken played an important part in the Moroccan crisis of 1911, and during the war served with the German administration in Belgium. His memoirs are a valuable contribution to the story of pre-war diplomacy.

DREIBUND UND ENTENTE-POLITIK IN DER ALTEN UND NEUEN WELT. By Constantin Dumba. Vienna: Amalthea, 1930, 482 pp. M. 10.

Among other matters Dumba records his experiences as Austrian Ambassador at Washington and the circumstances attending his recall.

LES TRANCHÉES. LA GUERRE DE SIÈGE. By Raymond Poincaré. Paris: Plon, 1930, 360, 380 pp. Fr. 30 each.

Volumes VI and VII of Poincaré's memoirs, dealing exclusively with the year 1915, and full of interesting discussion of the great political and military questions which arose with the deadlock of the second war year.

BREAKING THE SILENCE. By Thomas St. John Gaffney. New York: Liveright, 1930, 367 pp. $3.50.

A former American consul at Munich tells the story of his conflict with the State Department and his ultimate recall at the instigation of the British Government.

MEMOIREN. By Tamas Graf zu Erdödy. Vienna: Amalthea, 1931, 312 pp. M. 7.

A volume throwing further light on the Austrian negotiations for a separate peace.

CAUSES DÉTERMINANTES DE LA GUERRE MONDIALE. By General José Estevan de Moraes Sarmento. Paris: Ferin, Torres, 1930, 391 pp. Fr. 25.

A review of the problem from a pro-French standpoint.

DIE TRAGÖDIE DER BUNDESGENOSSEN DEUTSCHLAND UND OESTERREICH-UNGARN. By Friedrich Stieve. Munich: Bruckmann, 1930, 200 pp. M. 4.

A systematic study of the all-important relationship between Germany and Austria-Hungary in the years 1908–1914, based in large part upon the recently published Austrian documents.

DER OESTERREICH-UNGARISCHE BUNDESGENOSSE IM SPERRFEUER. By Anton Pitreich. Klagenfurt: Kolitsch, 1930, 400 pp. M. 5.

The author concludes that Austria-Hungary did all that the Germans could reasonably expect of her during the war.

SECRET SERVICE. By Sir George Aston. New York: Cosmopolitan Book Corporation, 1930, 348 pp. $4.00.

This is not a technical study of modern secret services but primarily a volume of recollections by an English officer very closely connected with naval intelligence over a long period of years.

DU GENERAL EN CHEF AU GOUVERNEMENT. By Colonel Herbillon. Paris: Tallandier, 1930, Fr. 25.

The second volume of an important book by a liaison officer. The period of Nivelle's and Petain's commands are here taken up.

GOUVERNEMENT ET COMMANDEMENT. By J. M. Bourget. Paris: Payot, 1930, 320 pp. Fr. 25.

The latest and one of the best books on the vexed problem of the relation of the civil to the military power in time of war. While discussing the experience of many countries, the author stresses particularly the situation as it was in Germany and France.

HISTOIRE DE LA GUERRE SOUS-MARIN ALLEMANDE. By Adolphe Laurens. Paris: Société d'Éditions Géographiques, 1930, 462 pp. Fr. 40.

French military historical writing is notoriously of a high order. Captain Laurens' book on submarine warfare is quite up to the standard set by tradition, and is apt to be for some time the accepted treatment of the subject. The author, who is now chief

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of the historical section of the French Naval Staff, was during the last years of the war chief of submarine intelligence, and is well known for his other writings on naval aspects of the great conflict. In this volume he is not content with a narrative of submarine operations. On the contrary, he takes up the whole story of the origins of the German submarine campaign, discusses the political aspects of the problem and its effects on international relations, to say nothing of the economic side of the struggle. The book is based not only upon a complete command of the published material, especially German, but also upon the papers of the historical section of the French navy. In other words, it is well informed and authoritative, as well as being thoroughly readable. Captain Laurens is to be congratulated on producing an excellent and impartial account of a crucial problem. It is only to be regretted that he has seen fit to omit specific references to his source material and that he has not given at least a brief working bibliography of the subject.

HISTORY OF THE GREAT WAR. MILITARY OPERATIONS. EGYPT AND PALESTINE. London: H. M. S. O., 1930, 20/.

Volume II of the official history of the Palestine campaign, covering the period of Allenby's command.

LOYALTIES. MESOPOTAMIA 1914–1917. By Lieutenant-Colonel Sir Arnold T. Wilson. New York: Oxford University Press, 1930, 376 pp. $10.00.

Compared to the tiresome and costly trench operations of the western front the campaigns in the Ottoman Empire during the World War were spectacular, and in many ways more instructive. Certainly accounts of them make easier and more interesting reading. The author, who was closely connected with the civil side of the army administration, integrates the military and non-military aspects of the campaign in admirable fashion and has very much to say, both complimentary and otherwise, about an operation which began so inauspiciously. The difficulties of the terrain, the problems of supply, the relations of the army with the population, the hardships suffered by the men, all these matters are taken up in the book, which is written with exceptional breadth of view and human sympathy. The volume, incidentally, is illustrated with a large number of portraits, contains a complete bibliography, and has an excellent map.

VERDUN 1916. By Hermann Wendt. Berlin: Mittler, 1931, 257 pp. M. 12.

A sound study and criticism from the strategic viewpoint.

LE MINISTÈRE CLEMENCEAU. By General H. Mordacq. Paris: Plon, 1930, two volumes, Fr. 36.

The day-by-day journal of General Mordacq, one of Clemenceau's closest associates, covering the period from November 1917 to November 1918.

THE SILENCE OF SARRAIL. By Paul Coblentz. London: Hutchinson, 1930, 288 pp. 18/.

An authorized biography, of which the French original has already been noted.

A SOLDIER'S NOTEBOOK. By General A. A. Brussilov. London: Macmillan, 1930, 340 pp. 18/.

English translation of one of the most important of the Russian memoirs.

THE LIFE AND DEATH OF ROGER CASEMENT. By Denis Gwynn. London: Cape, 1930, 444 pp. 12/6.

A sympathetic study of a most unusual and tragic career.

LE ROI CONSTANTIN. By Édouard Driault. Versailles: Author, 1930, 309 pp.

An eminent French historian enters in the lists in behalf of a much-maligned King. This important book is based in part upon French archive material.

LE MONDE EN FLAMMES. By Čestimir Jeřabek. Paris: Valois, 1930, 300 pp. Fr. 15.

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A portrayal of the Czechs during the war. A psychological study which has been awarded an important prize.

DIE TSCHECHISCHEN LEGIONEN IN SIBIRIEN. By Konstantin W. Sakharow. Berlin: Hendriock, 1930, 100 pp. M. 31.90.

This bitter attack upon the conduct of the Czech legions, written by a commander of the Kolchak forces, should be read in connection with the Czech rhapsodies.

THE QUESTION OF THE BELGIAN FRANC-TIREURS. By Raf Verhulst. Bruges: Geerardijn, 1930, 89 pp.

A telling attack upon the accepted Belgian version, written by a fugitive Flemish leader.

Western Europe

SINCE THEN. By Sir Philip Gibbs. New York: Harpers, 1930, 476 pp. $3.75.

A readable and well-informed account of the stormy post-war period, written by a well-known journalist.

DE LA GUERRE TOTALE À LA PAIX MUTILÉE. By H. Lemery. Paris: Alcan, 1930, 368 pp. Fr. 15.

A lament for the lost fruits of victory.

DICTATORSHIP ON TRIAL. New York: Harcourt, Brace, 1930, 390 pp. $3.50

A collection of essays, some adulatory and foolish (like that on Pilsudski), some analytical and interesting (like that on King Alexander). The majority, unfortunately, belong in the former category.

PANEUROPA. By Andreas Fleissig. Munich: Duncker and Humblot, 1930, 171 pp. M. 7.50.

Like most writers on the subject, the author approaches the problem from the economic and social standpoints. A substantial book.

TATSACHEN UND ZAHLEN EUROPAS. By Wladimir Woytinsky. Vienna: Paneuropa Verlag, 1930, 211 pp. M. 6.

An eminent economist examines the Pan Europe scheme through a statistical examination of factors like cartels, population movements, food supply, raw materials, markets and colonies.

LA FRANCE SUR LE RHIN. By Paul Tirard. Paris: Plon, 1930, 520 pp. Fr. 36.

The French commissioner reviews the French occupation of the Rhine country in what is practically an official statement.

LES GRANDES PROBLÈMES DU RHIN. By Maurice Barrès. Paris: Plon, 1930, 472 pp. Fr. 30.

These collected writings of the late nationalist leader set forth the ideas that underlay his important campaign in the years following 1919.

ZWISCHEN DEUTSCHLAND UND FRANKREICH. By Fritz Jaffé. Stuttgart: Cotta, 1931, 413 pp. M. 12.

A careful study of French and German influence in Alsace through recent centuries.

THE REVOLVER REPUBLIC. By G. E. R. Gedye. London: Arrowsmith, 1930, 255 pp. 10/6.

The experiences of an English correspondent during the stormiest years of the Rhineland occupation. The book is a very severe indictment of the French policy of separatism, and must be taken into account.

ESSAYS AND SPEECHES ON VARIOUS SUBJECTS. By Gustav Stresemann. London: Thornton Butterworth, 1930, 306 pp. 15/.

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A very happy selection of papers and addresses by the late German Foreign Minister. It illustrates the evolution of his ideas, and contains an admirable biographical introduction by Baron von Rheinbaben.

STRESEMANN. By Antonina Vallentin. Leipzig: List, 1930, 325 pp. M. 6.

This book, based upon intimate knowledge, is an important contribution to the story of Stresemann's leadership.

HINDENBURG. By Gerhard Schultze-Pfaelzer. Leipzig: Grethlein, 1930, 370 pp. M. 5.

A sound and appreciative, though discriminating, study of the character and achievement of the German leader.

LUDENDORFF. By Karl Tschuppik. Vienna: Epstein, 1931, 429 pp. M. 11.

One of the best character studies of Ludendorff, setting forth his military ability and his utter lack of intelligent leadership in politics.

ENTSCHEIDUNG. By Ernst Niekisch. Berlin: Widerstands-Verlag, 1930, 186 pp. M. 3.60.

Germany must regain her complete independence by scaring Europe with the bogey of a Russian-Asiatic deluge.

NATIONALISTEN. By Junius Alter. Leipzig: Koehler, 1930, 214 pp. M. 2.80.

Penetrating character sketches of German nationalist leaders like Kapp, Reventlow, Hitler, Hugenberg and Ludendorff.

L'ALLEMAGNE AU CARREFOUR. By Jean Knittel. Strasbourg: Dernières Nouvelles, 1930, Fr. 7.50.

An illuminating study of the German situation, by the editor of an important Alsatian newspaper.

ALLEMAGNE 1930. By Regis de Vibraye. Bordeaux: Feret, 1930, 158 pp.

A general survey, followed by a plea for Franco-German coöperation.

MOSKAU IN DEUTSCHLAND. By Paul Fleischer. Berlin: Stilke, 1931, 224 pp. M. 4.

The causes of Germany's economic decline, as the author sees them.

THE GERMAN REICHSBANK AND ECONOMIC GERMANY. By Salomon Flink. New York: Harpers, 1930, 277 pp. $3.50.

A scholarly treatment of the history of the Reichsbank, with special reference to its part in the handling of reparations and reconstruction problems.

ZUM OBERSCHLESISCHEN PROBLEM. Gleiwitz: Oberschlesische Volksstimme, 1930, 147 pp. M. 4.

A collection of scientific papers dealing with various aspects of the question, presented to Wilhelm Volz.

OBERSCHLESIEN IM RINGEN DER VOELKER. By Helmut Nicolai. Breslau: Grass, Barth, 1930, 126 pp. M. 3.

A reliable survey of the difficult Silesian question as seen from the German side.

DIE ANSCHLUSSFRAGE IN IHRER KULTURELLEN, POLITISCHEN UND WIRTSCHAFTLICHEN BEDEUTUNG. Edited by F. G. Kleinwächter and H. von Paller. Vienna: Braumüller, 1930, 656 pp. M. 20.

This weighty volume is all that the title implies. It is, in fact, the best single thing yet produced on the *Anschlussfrage*. The editors have collected a large number of statements on the problem from competent people throughout the world, so that the reader will find here a most inclusive and exhaustive presentation of every conceivable angle of the question, historical, political, economic, social, cultural, etc. Taken all in all, the volume makes a most effective plea for the consummation of the *Anschluss*, a develop-

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ment which seems to lie in the very nature of things and one which cannot be forever ignored. At bottom the forced separation of Austria and Germany was the result of dictation by the victors over the vanquished. It is contrary to the principle of self-determination. It cannot be denied that there are still cogent objections to it, as viewed from Paris, Prague or Warsaw. On the other hand it may be questioned whether, in the long run, the game will be worth the candle. It may even be questioned whether Germany would be really strengthened by union *de jure* with Austria, especially when union *de facto* can be carried so far. But all these problems are discussed in some detail in the present book, which all students of European international relations will do well to consult.

LIFE OF EMPEROR KARL. By Count Arthur Polzer-Hoditz. London: Putnam, 1930, 470 pp. 21/.

The English translation of a very good biography.

SCHOBER. By Oskar Kleinschmidt. Vienna: Manz, 1930, 323 pp. M. 7.50.

A useful biography of a prominent Austrian leader.

LA GARDE DES FRONTIÈRES. By General Targe. Paris: Lavauzelle, 1930, 140 pp. Fr. 12.

The author examines the whole question of frontier fortifications and forces.

LA MORT DU TIGRE. By René Martet. Paris: Michel, 1930, 320 pp. Fr. 15.

The latest book on Clemenceau, written by his secretary.

LA VERITÉ SUR L'ALSACE. By Oscar de Ferenzy. Paris: Bloud and Gay, 1930, 500 pp. Fr. 12.

A keen critique of French policy, by an Alsatian editor.

INFLATION UND STABILISIERUNG IN FRANKREICH. By Joseph Schmitz. Bonn: Schroeder, 1930, 228 pp. M. 11.

A careful scientific study, covering the years 1914 to 1928.

LES BATISSEURS DE L'EUROPE MODERNE. By Count Sforza. Paris: Gallimard, 1931, 409 pp. Frs. 15.

This translation of a volume published recently in this country contains additional material on Italian policy toward the Little Entente, Jugoslavia and the Vatican.

UN TRENTENNIO DI LOTTE POLITICHE. By A. de Viti de Marco. Rome: Meridionale, 1930, 480 pp. L. 12.

The reminiscences of an Italian parliamentarian, and a valuable contribution to the study of how economic problems were handled under the parliamentary system.

L'ITALIA FRA LE GRANDI POTENZE. By Pietro Silva. Rome: Cremonese, 1931, 109 pp. L. 6.50.

A survey of the period 1881–1914, intended for the layman.

MUSSOLINI OHNE MYTHUS. By Adolf Saager. Vienna: Hess, 1931, 276 pp. M. 6.

An honest attempt to explain the character and policy of Il Duce.

SOCIALISME LIBÉRAL. By Carlo Rosselli. Paris: Valois, 1930, 224 pp. Fr. 15.

A study of Marxian socialism, as reflected in the Italian situation after the war.

LE PROCÈS DE ROSA. Paris: Valois, 1930, 164 pp. Fr. 12.

The record of the famous Brussels trial, involving a serious indictment of the Fascists.

SULL'ITALIANITÀ DELLA DALMAZIA. By Umberto Biscottini. Livorno: Giusti, 1930, 130 pp. L. 30.

A collation of evidence as to the Italian character of Dalmatia.

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LA CONDITION INTERNATIONALE DU SAINT-SIÈGE AVANT ET APRÈS LES ACCORDS DU LATRAN. By René Jarrige. Paris: Rousseau, 1931, 350 pp. Fr. 80.

Primarily a monographic study of the idea of sovereignty as it appears in the case of the Vatican.

LE VATICAN, TRÔNE DU MONDE. By Joseph Bernhart. Paris: Payot, 1930, 496 pp. Fr. 40.

A detailed review of the evolution and influence of the Papacy through the course of centuries.

GENÈVE ET LES TRAITÉS. By Victor Bérard. Paris: Colin, 1930, two volumes, Fr. 40.

An important contribution to the troublesome question of the free zones, concerning which litigation is now in process.

VIDA, PENSAMIENTO Y AVENTURA DE MIGUEL DE UNAMUNO. By César González-Ruano. Madrid: Aguilar, 1930, 238 pp. Pes. 5.

The account of a remarkable career.

EN HONOR DE LA VERDAD. By Marqués de Santa Cara. Madrid: Pueyo, 1930, 214 pp. Pes. 4.

In defense of the dictatorship.

ESPAÑA Y CATALUÑA. By Juan Ors. Madrid: Historia Neuva, 1930, 140 pp. Pes. 4.

The Catalan problem reviewed.

LA DICTADURA EN MARRUECOS. By Francisco Hernandez Mir. Madrid: Morata, 1930, 244 pp. Pes. 5.

A thorough-going exposure.

LA ALIANZA PENINSULA. By Antonio Sardinha. Madrid: Junta de Propaganda, Patriotica, 1930, 278 pp. Pes. 5.

Essays by a Portuguese leader, setting forth the idea of Peninsula unity and solidarity.

Eastern Europe

THE FOURTH SEAL. By Sir Samuel Hoare. London: Heinemann, 1930, 377 pp. 15/.

Russia in 1916, as seen by a member of the English secret service. An excellent picture of the country on the eve of revolution.

HISTOIRE DE LA REVOLUTION RUSSE. By Lydia Bach. Paris: Valois, 1930, 370 pp. Fr. 30.

The first volume of what promises to be one of the best histories of the Revolution. This volume goes to the November Revolution of 1917.

LA REVOLUTION RUSSE. By Henry Rollin. Paris: Delagrave, 1930, three volumes, Fr. 45.

Rather a study of the origins and results of the revolution, by a writer not well impressed by the Bolshevist régime.

THESE RUSSIANS. By William C. White. New York: Scribners, 1931, 376 pp. $3.00.

The author presents a picture of conditions through the accounts of a number of representative inhabitants.

THE CHALLENGE OF RUSSIA. By Sherwood Eddy. New York: Farrar and Rinehart, 1931, $2.50.

A well-known Y. M. C. A. worker and publicist gives his views about Russia.

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THE RUSSIAN PARADOX. By Bernard Edelhertz. New York: Walton, 1930, 165 pp. $2.00.
A first-hand study of life under the Soviets.

L'INTERNATIONALE COMMUNISTE APRÈS LENINE. By Léon Trotsky. Paris: Rieder, 1930, 364 pp. Fr. 20.
The latest product of the Trotsky-Stalin duel.

THE ECONOMIC LIFE OF SOVIET RUSSIA. By Calvin B. Hoover. New York: Macmillan, 1931, 361 pp. $3.00.
A convenient analysis of the Soviet economy in its various aspects.

DIE RUSSISCHE HANDELSPOLITIK DER GEGENWART. By Boris Ischboldin. Jena: Fischer, 1930, 240 pp. M. 12.
A scholarly critique of the State monopoly of foreign trade, which, the writer concludes, was introduced and is maintained for political rather than for economic reasons.

EDUCATIONAL POLICY IN SOVIET RUSSIA. By N. Hans and S. Hessen. London: King, 1930, 236 pp. 7/6.
A monograph on an important plank in the Bolshevik platform.

RUSSIA'S PRODUCTIVE SYSTEM. By Emile Burns. New York: Dutton, 1930, 288 pp. $4.00.
Another useful and dispassionate presentation of Bolshevik economic policy.

THE METHODS OF THE OGPU. By Vladimir Brunovsky. London: Harpers, 1931, 255 pp. 9/.
The French edition of this remarkable story has already been noted.

DIE WIRTSCHAFTLICHE UND KULTURELLE ENTWICKLUNG DES WIEDERAUFERSTANDENEN POLENS. By Wladislaw Studnicki. Berlin: Voelkermagazin, 1930, 150 pp. M. 3.
The economic side of the new Poland, in a succinct survey.

DER BOLSCHEWISMUS IN UNGARN. By Baron zu Kaas and Fedor von Lazarovics. Munich: Dresler, 1930, 318 pp. M. 8.50.
The authors attempt a serious and broad interpretation of the remarkable Bolshevik interlude in post-war Hungary.

LE COSTITUZIONI DEGLI STATI DELL'EUROPA ORIENTALE. By A. Giannini. Rome: Instituto per l'Europa Orientale, 1930, two volumes, L. 70.
The most recent handbook for the constitutions of the new Eastern Europe.

DER BALKAN UND SEINE WIRTSCHAFTLICHEN KRÄFTE. By Gerhard Schacher. Stuttgart: Enke, 1930, 266 pp. M. 12.
The author stresses the great and neglected economic possibilities of the Balkan states.

MES MISSIONS DIPLOMATIQUES. By Trandafir G. Djuvara. Paris: Alcan, 1930, 180 pp. Fr. 25.
These recollections of one of Rumania's leading diplomats are a valuable contribution to the literature of diplomacy in the last forty years.

LA FORMATION DE LA YOUGOSLAVIE. By Émile Haumant. Paris: Bossard, 1930, 754 pp. Fr. 60.
Really a history of the various Jugoslav countries, with emphasis on the period of unification.

LA JUGOSLAVIA E LA PACE EUROPEA. By A. Besozzi and V. A. Martini. Milan: Unitas, 1930, 260 pp. L. 10.
The conventional Italian view of Jugoslav policy.

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BULGARIA'S ECONOMIC POSITION. By Leo Pasvolsky. Washington: Brookings Institution, 1930, 409 pp. $3.00.

The excellent series of studies published by the Institution, of which this is the latest, are of the greatest value to the student of foreign affairs. In this volume Pasvolsky gives a complete survey of the subject, with special reference to the reparations problem and the action of the League.

The British Commonwealth of Nations

NEW IMPERIAL IDEAS. By Robert Stokes. London: Murray, 1930, 314 pp. 10/6.

The author thinks the dominions must share in the control of the non-self-governing parts of the empire if the empire is to be kept together.

L'EVOLUTION DE L'EMPIRE BRITANNIQUE. By J. J. Chevallier. Paris: Éditions Internationales, 1930, 1100 pp. Fr. 200.

A volume which comes as near to exhausting the imperial constitutional problem as any book well could. A standard treatment.

THE MALTA CRISIS. By Right Reverend Monsignor Enrico Dandria. London: Surridge, 1930, 6 /.

An able presentation of a problem that is becoming more and more difficult.

AN ECONOMIC HISTORY OF AUSTRALIA. By Edward Shann. New York: Macmillan, 1930, 456 pp. $6.00.

A competent monograph, interestingly written and presenting more especially the accomplishment of private initiative in the development of Australia.

DAWN IN INDIA. By Sir Francis Younghusband. London: Murray, 1930, 331 pp. 10/6.

Those acquainted with the author's other writings will welcome his latest contribution to the discussion of the burning Indian problem. Few people are as well equipped to speak authoritatively on the question, and even fewer have the broad human sympathy and understanding which are evident in all Sir Francis' books. In this particular volume he reviews the whole history of the British rule in India, striking a fair balance between extreme enthusiasm on the one hand and out and out condemnation on the other. The reader will find here a most illuminating discussion of the problem's religious and philosophical sides, which are all too apt to elude the attention of the casual observer. As a matter of fact, this book stands quite apart from the mass of loose writing about India which is constantly pouring from the press. It can be warmly recommended to those who feel the need of more than a few catch-words and generalities.

AN INDIAN DIARY. By Edwin S. Montagu. London: Heinemann, 1930, 410 pp. 21/.

The private diary of the man whose name is associated with the Montagu-Chelmsford reforms. A valuable addition to the literature of the subject.

THE INDIAN CRISIS. By A. Fenner Brockway. London: Gollancz, 1930, 208 pp. 2/6.

Extreme Left wing, but a clear exposition of the nationalist standpoint.

THE CASE FOR INDIA. By William J. Durant. New York: Simon and Schuster, 1930, 238 pp. $2.00.

Not overloaded with knowledge of the subject, but pronounced in viewpoint and eloquent in pleading the cause of the Indian.

STARK INDIA. By Trevor Pinch. London: Hutchinson, 1930, 288 pp. 10/6.

Sociological, in the vein of Miss Mayo.

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THE POWER OF INDIA. By Michael Pym. New York: Putnam, 1930, 317 pp. $3.50.
Suggestive, if not profound, observations of an American newspaper woman with considerable experience of India.

FEDERAL INDIA. By K. N. Haksar and K. M. Panikkar. London: Hopkinson, 1930, 212, 10/6.
The claims of the native princes in the future organization of India, expounded by two of their leading spokesmen.

THE KEY OF PROGRESS. Edited by A. R. Caton. New York: Oxford University Press, 1930, 250 pp. $3.00.
A dispassionate presentation of the facts regarding the position of women in India, written by a number of competent persons.

VOICELESS INDIA. By Gertrude Emerson. New York: Doubleday Doran, 1930, 358, $4.00.
One of the most interesting books of the quarter on India. The writer spent a year living with the inhabitants of a small village, and gives an excellent picture.

The Near East

STORY OF NEAR EAST RELIEF. By James L. Barton. New York: Macmillan, 1930, 501 pp. $2.50.
A complete record of a stupendous philanthropic enterprise.

TURKEY: YESTERDAY, TODAY, AND TOMORROW. By Sir Telford Waugh. London: Chapman and Hall, 1930, 306 pp. 18/.
A former British consul-general at Constantinople reviews his experiences over a long period of service in Turkey. A valuable and interesting book.

LE VISAGE NOUVEAU DE LA TURQUIE. By Eugène Pittard. Paris: Société d'Éditions Géographiques, 1930, 314 pp. Fr. 32.
A well-known geographer surveys Asia Minor and estimates the accomplishments of the present Turkish government.

DEUTSCHLAND UND DIE AUSROTTUNG DER ARMENIER IN DER TÜRKEI. By Melkon Krischtschian. Potsdam: Missionshandlung, 1930, 94 pp. M. 1.
A volume exonerating the Germans of any responsibility in the Armenian massacres.

LA RÉFORME FINANCIÈRE EN TURQUIE. By Tahsin Mouhiddin. Paris: Rousseau, 1930, 224 pp. Fr. 40.
A scientific study of the Turkish monetary problem.

ON THE RIM OF THE WILDERNESS. By Maurice Samuel. New York: Liveright, 1931, $2.50.
The whole Palestine situation reviewed by a competent representative of the Jewish standpoint, with special stress on the Jewish-Arab problem.

THE GREAT BETRAYAL. By Rabbi Stephen Wise and Jacob de Haas. New York: Brentano, 1930, 315 pp. $2.00.
The authors picture the changing attitude of England, emphasizing in particular the emasculation of the Balfour Declaration and the "betrayal" of the Passfield Paper.

LAND SETTLEMENT IN PALESTINE. By A. Granovsky. London: Gollancz, 1930, 224 pp. 5/.
An able study, translated from the German.

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LA QUESTION ARABE. By Berthe-Georges Gaulis. Paris: Berger-Levrault, 1930, 310 pp. Fr. 20.

Those interested in the Arabs must read this latest book by one of the leading writers on Egyptian and general Near Eastern affairs.

THE PERSIANS. By Sir E. Denison Ross. New York: Oxford University Press, 1931, 142 pp. $2.00.

A compact and very serviceable little survey of the history, the country and the culture of the Persians.

LA SUPPRESSION DES CAPITULATIONS EN PERSE. By Ahmad Kahn Matine-Daftary. Paris: Presses Universitaires, 1930, 266 pp. Fr. 35.

A Persian judge and high official studies the régime of the capitulations and the methods of its abrogation.

THE MIXED COURTS OF EGYPT. By Jasper Y. Brinton. New Haven: Yale University Press, 1930, 416 pp. $5.00.

The standard treatment of a very interesting experiment in international administration. A book full of valuable material and based upon long personal experience.

Africa

THE INTERNATIONAL CITY OF TANGIER. By Graham H. Stuart. Stanford: Stanford University Press, 1931, 323 pp. $4.00.

An up-to-date treatment of one of the oldest and most difficult problems of international administration.

LA CONQUÊTE PACIFIQUE DU MAROC. By Docteur Cruchet. Paris: Berger-Levrault, 1930, 220 pp. Fr. 15.

The author stresses the cultural work of the French.

THE EAST AFRICAN PROBLEM. By J. H. Driberg. London: Williams and Norgate, 1930, 96 pp. 2/6.

An eminently fair presentation of the race question, by a trained ethnologist.

THE AFRICAN REPUBLIC OF LIBERIA AND THE BELGIAN CONGO. By Richard P. Strong and others. Cambridge: Harvard University Press, 1930, two volumes, $15.00.

An exhaustive and very timely study.

L'AFRIQUE EQUATORIALE FRANÇAISE. By Georges Bruel. Paris: Larose, 1930, 256 pp. Fr. 25.

A descriptive work, by a French administrator.

The Far East

TORTURED CHINA. By Hallett Abend. New York: Ives Washburn, 1930, 318 pp. $3.00.

A far from optimistic report by the correspondent of the *New York Times*.

WIRTSCHAFT UND GESELLSCHAFT CHINAS. By Karl A. Wittfogel. Leipzig: Hirschfeld, 1931, 768 pp. M. 30.

The first volume of a monumental economic and social study. The author here takes up the productive forces and processes, and the distributing agencies.

IN THE CHINESE CUSTOMS SERVICE. By Paul King. London: Heath Cranton, 1930, 304 pp. 7/6.

Reminiscences of an instructive nature.

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JAPAN'S ECONOMIC POSITION. By John E. Orchard. New York: McGraw-Hill, 1930, 520 pp. $5.00.

This serious and scholarly investigation, based upon years of study, is probably the best thing on the subject.

FOOD SUPPLY AND RAW MATERIALS IN JAPAN. By E. J. Penrose. Chicago: Chicago University Press, 1930, 75 pp. $2.00.

A statistical work.

Latin America

LATIN AMERICAN RELATIONS WITH THE LEAGUE OF NATIONS. By Warren H. Kelchner. Boston: World Peace Foundation, 1930, 207 pp. $2.50.

A general handbook.

EL PANAMERICANISMO Y EL DERECHO INTERNACIONAL. By J. M. Yepes. Bogota: National Printing Office, 1930, 447 pp.

A review of the history of Pan-Americanism, with special reference to the work of the various conferences.

MEXIKO ERWACHT. By Adolf Reichwein. Leipzig: Bibliographisches Institut, 1930, 274 pp. M. 8.50.

An admirably illustrated socio-geographical work, by a recognized authority.

EL TERROR EN AMÉRICA. By César González-Ruano. Madrid: Compañia Ibero-Américana, 1930, 245 pp. Pes. 5.

The author emphasizes the Cuban situation, but reviews the general conditions in South America during the recent revolutionary period.

DIE A. B. C. STAATEN. By Rudolf Lütgens. Berlin: Zentral-Verlag, 1930, 102 pp. M. 3.

A brief economic study, with reference to the position of the A. B. C. states in the economic scheme of the world.

Miscellaneous

CONTEMPORARY SOCIAL MOVEMENTS. By Jerome Davis. New York: Century, 1930, 650 pp. $5.00.

A general text, treating of such subjects as Socialism, Communism, Fascism, and the Peace Movement.

WORLD MINERALS AND WORLD POLITICS. By C. K. Leith. New York: McGraw-Hill, 1931, 213 pp. $2.00.

A well-known geologist places the problem in its general setting in international relations. A valuable study which should attract attention and lead to further research.

A PICTURE OF WORLD ECONOMIC CONDITIONS IN THE EARLY FALL OF 1930. New York: National Industrial Conference Board, 1930, 249 pp.

The latest of a series of periodic reports, the combined work of a group of experts.

POLITIQUE COMMERCIALE INTERNATIONALE. By O. Paranagua. Paris: Chauny and Quinsac, 1930, 214 pp. Fr. 30.

Chiefly a discussion of free trade and protection, tariff and tariff treaties, by the Brazilian delegate to the International Economic Conference of 1927.

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SOURCE MATERIAL

By Denys P. Myers

PUBLIC DOCUMENTS OFFICIALLY PRINTED

Documents may be procured from the following: *United States:* Gov't Printing Office, Superintendent of Documents, Washington, D. C. *Great Britain:* British Library of Information, 551 Fifth Ave., New York. *France:* Gerda M. Andersen, 12 Ave. Ernest Reyer, Paris XIVe. *League of Nations, Int. Labor Office, Perm. Court of Int. Justice and International Institute of Agriculture:* World Peace Foundation, 40 Mt. Vernon St., Boston. Washington imprints are Government Printing Office and London imprints are His Majesty's Stationery Office, unless otherwise noted. Since 1928 a list of national Government documents has been printed in the *Monthly list of Books catalogued in the Library of the League of Nations.*

AGRICULTURE

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IMPERIAL Conference, 1930. Summary of Proceedings. London, 1930. 132 p. 24½ cm. (Imperial Conference, 1930. Cmd. 3717.) 2s. 0d.

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REPORT of the Conference on Standardisation (including Resolutions adopted by the Imperial Conference). London, 1930. 18 p. 24½ cm. (Imperial Conference, 1930. Cmd. 3716.) 3d.

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BUOYAGE AND LIGHTING OF COASTS

CONFERENCE for the Unification of Buoyage and the Lighting of Coasts (Lisbon, October 6–23, 1930). (1) Agreement concerning maritime signals. (2) Agreement concerning manned lightships not on their stations. (3) Recommendations on lighthouse characteristics and radiobeacons. (4) Final Act of the conference. Geneva, 1930. 23 double p. 33 cm. (League of Nations, C. 634. M. 253. 1930. VIII. 13.)

INTERNATIONAL Convention regarding the Maintenance of certain Lights in the Red Sea, London, December 16, 1930. London, 1931. 20 p. 24½ cm. (Miscellaneous No. 1 (1931). Cmd. 3755.) 4d.

CHINA

CONVENTION between His Majesty and the President of the National Government of the Republic of China for the Rendition of Weihaiwei and Agreement regarding certain Facilities for His Majesty's Navy after Rendition (with map and two plans), Nanking, April 18, 1930. London, 1930. 10 p. 24½ cm. (Treaty Series No. 50 (1930). Cmd. 3741.) 6d.

EXCHANGE of Notes between His Majesty's Government in the United Kingdom and the Chinese Government regarding the Rendition of the British Concession at Amoy, Nanking, September 17, 1930. London, 1930. 3 p. 24½ cm. (Treaty Series No. 44 (1930). Cmd. 3711.) 1d.

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CHINA — HEALTH IN PORTS

HEALTH Organisation. Collaboration with the Ministry of Health of the National Government of the Republic of China. Completion of the Survey of Chinese Ports and Report on the Reorganisation of the Port Health Services, in conformity with the request of the National Government of China. Geneva, 1930. 70 p. 24 cm. (League of Nations, C. H. 906. 1930. III. 14.)

CODIFICATION OF INTERNATIONAL LAW

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Vol. III. Minutes of the Second Committee. Territorial Waters. Geneva, 1930. 221 p. 33½ cm. (League of Nations, C. 351 (b). M. 145 (b). 1930. V. 16.)

COMMERCIAL TREATIES

COMMERCIAL Agreement between the High Commissioner for South Africa and the Governor-General of Mozambique regulating the Commercial Relations between Swaziland, Basutoland and the Bechuanaland Protectorate and the Portuguese Colony of Mozambique. Cape Town, February 13, 1930, Lourenco Marques, February 18, 1930. London, 1930. 13 p. 24½ cm. (Treaty Series No. 34 (1930). Cmd. 3676.) 3d.

EXCHANGE of Notes between His Majesty's Government in the Irish Free State and the Greek Government in regard to Commercial Relations, Athens, May 15, 1930. London, 1930. 4 p. 24½ cm. (Treaty Series No. 49 (1930). Cmd. 3734.) 1d.

EXCHANGE of Notes between the Government of India and the Turkish Government regarding Commercial Relations between India and Turkey. Angora, September 3, 1930. London, 1930. 4 p. 24½ cm. (Treaty Series No. 37 (1930). Cmd. 3685.)

EXCHANGE of Notes between His Majesty's Government in the Irish Free State and the Turkish Government in regard to Commercial Relations, Angora, December 21, 1929. London, 1930. 4 p. 24½ cm. (Treaty Series No. 47 (1930). Cmd. 3719.) 1d.

TREATY of Commerce and Navigation between His Majesty in Respect of the United Kingdom and the President of the Republic of Turkey. Angora, March 1, 1930. London, 1930. 49 p. 24¼ cm. (Treaty Series No. 40 (1930). Cmd. 3695.) 9d.

COMMUNICATIONS

COMMUNICATIONS and Transit Organization. European Conference on Road Traffic. Preparatory Documents. I. Commercial Motor Transport; II. Road Signalling; III. Operation of the Triptych System; IV. Taxation of Foreign Motor Vehicles. Geneva, 1930. 13 p. 33 cm. (League of Nations. Conf. /C/R/1. 1930. VIII. 12.)

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COMMUNISM

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COURT OF INTERNATIONAL JUSTICE, PERMANENT

COLLECTION of Judgments. Case of the Free Zones of Upper Savoy and the District of Gex (Second Phase) Order of December 6, 1930. 43 p. 24 cm. (Series A, No. 24.)

DOCUMENTS Relating to Advisory Opinion No. 17 (July 31, 1930). The Greco-Bulgarian "Communities." 1110 p. 24 cm. (Series C. No. 18–I. Eighteenth (Ordinary) Session (1930).)

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MEMORANDUM on Chemical Warfare presented to the Preparatory Commission for the Disarmament Conference by the Delegation of the United Kingdom, Geneva, November 18, 1930. London, 1930. 2 p. 24½ cm. (Miscellaneous No. 17 (1930). Cmd. 3747.) 1d.

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DOUBLE TAXATION and Fiscal Evasion. Collection of International Agreements and Internal Legal Provisions for the Prevention of Double Taxation and Fiscal Evasion. Volume III. Geneva, 1930. 25 cm. (League of Nations, C. 585. M. 263. 1930. II. 50.) $0.75.

RELIEF from Double Income Tax on Shipping Profits. Arrangement between the United States of America and Italy. Effected by exchange of notes dated March 10, 1926, and May 5, 1926. Washington, 1930. 2 p. 23¼ cm. (Executive Agreement Series, No. 10.) 5 cents.

Executive Agreement Series Nos. 11–15 are similar arrangements with the Netherlands, France, Greece, Denmark and Norway.

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COMMISSION of Enquiry for European Union. Minutes of the First Session. Held at Geneva on Tuesday, September 23, 1930. Geneva, 1930. 2 p. 33 cm. (League of Nations, C. 565. M. 225. 1930. VII. 5.)

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CONVENTION on Financial Assistance. Geneva, October 2, 1930. Geneva, 1930. 23 double p. 33 cm. (League of Nations, C. 611. M. 237. 1930. IX. 7.)

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The report alone is Department of State's Publication No. 147.

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MANDATES

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OPIUM

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PERMANENT Central Opium Board. REPORT to the Council on the Work of the Central Board during its Sixth and Seventh Sessions and on the Statistics for the Year 1929. Geneva, 1930. 68 p. 33 cm. (League of Nations, C. 629. M. 250. 1930. XI. 7.)

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SAMOA

AMERICAN Samoan Commission. Message from the President of the United States transmitting the report of the American Samoan Commission appointed pursuant to Public Resolution No. 89, Seventieth Congress, and Public Resolution No. 3, Seventy-First Congress. Washington, 1931. 27 p. 23¼ cm. (Sen. Doc. No. 249, 71st Cong., 3d sess.)

TRADE OF WORLD

MEMORANDUM on International Trade and Balances of Payments, 1927–1929. Volume I. Review of World Trade. Geneva, 1930. 119 p. 27 cm. (League of Nations, 1930. II. 54./I.) $1.00.

LIST of Ports of Loading and Unloading Open to International Trade. First Edition. Geneva, 1930. 239 p. 25 cm. (League of Nations, C. 215. M. 103. 1930. II. 43.)

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FOREIGN AFFAIRS

Vol. 9 SPECIAL SUPPLEMENT No. 3

THE UNITED STATES AND THE OTHER AMERICAN REPUBLICS

An address before the Council on Foreign Relations, New York, February 6, 1931

By Henry L. Stimson
Secretary of State

I USED to think that I realized the function which the Council on Foreign Relations was playing in the formation of American opinion on international affairs. But I never realized its full importance until I got at the other end of the stage and learned from painful experience the importance of such a public opinion and the difficulty, in its absence, of carrying on the business of the foreign relations of the United States. So I have all the more strongly a feeling of gratitude for the work of this association, and of satisfaction and joy in coming back and making to you my interlocutory report, so to speak, of the affairs of the State Department.

During the past two years widespread economic depression and consequent unemployment have brought instability and unrest to many of the countries of the Western Hemisphere. Since March 1929, there have been Revolutions in no less than seven Latin American republics, resulting in the forcible overthrow in six of them of the existing governments. These changes, and the armed contests by which some of them have been accompanied, have presented to the State Department of this country a rapid succession of critical problems for decision. It was inevitable in such a situation that criticism of our decisions should be excited, and it has been.

Therefore, this evening, I shall place before you from the standpoint of the State Department a brief statement of the facts as well as of the underlying principles and reasons upon which

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some of these recent decisions have been based. In particular, I shall discuss the principles by which we have been guided in the recognition of the new governments which have arisen and also the principles which have underlain our action in the regulation of the sale and transportation of arms and munitions to the countries which have been involved in strife.

As a background for this discussion a brief review of the general policy of the United States towards the other republics of their hemisphere during the past century is pertinent. That policy, in its general conception, has been a noble one. From the beginning we have made the preservation of individual independence of these nations correspond with our own interest. This was announced in the Monroe Doctrine and has been maintained ever since. That doctrine, far from being an assertion of suzerainty over our sister republics, was an assertion of their individual rights as independent nations. It declared to the world that their independence was so vital to our own safety that we would be willing to fight for it against an aggressive Europe. The Monroe Doctrine was a declaration of the United States versus Europe — not of the United States versus Latin America.

In taking this position in the Western Hemisphere, our policy has coincided with the basic conception of international law, namely, the equal rights of each nation in the family of nations. The law justly regards this conception as the chief protection of weak nations against oppression. Our people led in the recognition of the independence of those countries with an instinctive readiness which was based upon their sympathy with the doctrine upon which that independence rested. In the language of John Quincy Adams, Secretary of State at the time:

> the principles upon which the right of independence has been maintained by the South American patriots have been proved not only as identical with those upon which our own independence was asserted and achieved, but as involving the whole theory of government on the emphatically American foundation of the sovereignty of the people and the unalienable rights of men. To a cause reposing upon this basis the people of this country never could be indifferent, and their sympathies have accordingly been, with great unanimity and constancy, enlisted in its favor.[1]

I am not forgetful of the fact that the foreign policy of every nation is devoted primarily to its own interest. It also rises and falls with the character and wisdom of the individuals or groups

[1] J. Q. Adams, May 27, 1823, "American State Papers," Foreign Relations, Vol. V, p. 888.

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who from time to time are in power. I do not close my eyes to the occasional dark spots which have been charged to that record, particularly seventy-five or eighty years ago. But the actions which were the foundation for the most serious of these charges were directly attributable to the influence of slavery in this country, then at the height of its political power, and that influence has long since been wiped out in the blood of a great Civil War. They no more reflected the democratic idealism which has generally characterized our foreign policy at its best than the Fugitive Slave Act fairly reflected our domestic social policy.

In spite of these and all other aberrations, it is a very conservative statement to say that the general foreign policy of the United States during the past century toward the republics of Latin America has been characterized by a regard for their rights as independent nations which, when compared with current international morality in the other hemisphere, has been as unusual as it has been praiseworthy.

People are sometimes prone to forget our long and honorable fulfilment of this policy towards our younger sister nations. It was our action which obtained the withdrawal of French imperialism from Mexico. It was our influence which provided for the return from Great Britain of the Bay Islands to Honduras, and the Mosquito Coast, including Greytown, to Nicaragua. It was our pressure which secured the arbitration of the boundary dispute between Great Britain and Venezuela and which later secured by arbitration the solution of serious disputes between Venezuela, Germany, and Italy. Between the republics themselves, our influence has constantly been exerted for a friendly solution of controversies which might otherwise mar their independent and peaceful intercourse. To speak only of recent matters, I may refer to the long-standing Tacna-Arica dispute between Chile and Peru, and the open clash between Bolivia and Paraguay. During the past seven years our good offices have resulted in the settlement of eight boundary disputes between eleven countries of this hemisphere.

In our successive Pan American conferences, as well as in the Pan American Union, the fundamental rule of equality, which is the mainstay of independence, has been unbroken. Action is taken only by unanimous consent. No majority of states can conclude a minority, even of the smallest and weakest. This is in sharp contrast to the practice which prevailed in the former

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Concert of Europe, where only the great powers were admitted on a basis of equality. It was also at variance with the original organization of the Covenant of the League of Nations, where it was proposed that a majority of the seats in the Council should be permanently occupied by the Great Powers.

While such recognition of their equal rights and national independence has always been the basic foundation upon which our policy toward these republics has rested, there is another side of the picture which must be borne in mind. This basic principle of equality in international law is an ideal resting upon postulates which are not always and consistently accurate. For independence imposes duties as well as rights. It presupposes ability in the independent nation to fulfil the obligations towards other nations and their nationals which are prescribed and expected to exist in the family of nations. The hundred years which have ensued since the announcement of our policy towards these republics have contained recurring evidence of how slow is the progress of mankind along that difficult highway which leads to national maturity and how difficult is the art of popular self-government. Years and decades of alternations between arbitrary power at one time and outbreaks of violence at another have pointed out again and again how different a matter it is in human affairs to have the vision and to achieve the reality.

Furthermore, the difficulties which have beset the foreign policy of the United States in carrying out these principles cannot be understood without the comprehension of a geographical fact. The very locality where the progress of these republics has been most slow; where the difficulties of race and climate have been greatest; where the recurrence of domestic violence has most frequently resulted in the failure of duty on the part of the republics themselves and the violation of the rights of life and property accorded by international law to foreigners within their territory, has been in Central America, the narrow isthmus which joins the two Americas, and among the islands which intersperse the Caribbean Sea adjacent to that isthmus. That locality has been the one spot external to our shores which nature has decreed to be most vital to our national safety, not to mention our prosperity. It commands the line of the great trade route which joins our eastern and western coasts. Even before human hands had pierced the isthmus with a seagoing canal, that route was vital to our national interest. Since the Panama Canal has become

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an accomplished fact, it has been not only the vital artery of our coastwise commerce but, as well, the link in our national defense which protects the defensive power of our fleet. One cannot fairly appraise American policy toward Latin America or fully appreciate the standard which it has maintained without taking into consideration all of the elements of which it is the resultant.

Like the rocks which mark the surface of a steady river current, the facts and circumstances which I have outlined have produced ripples in the current of our steady policy towards the Latin American republics. Some of them have resulted in temporary intrusions into the domestic affairs of some of those countries, which our hostile critics have not hesitated to characterize as the manifestation of a selfish American imperialism. I am clear that a calm historical perspective will refute that criticism and will demonstrate that the international practice of this Government in the Western Hemisphere has been asserted with a much readier recognition of the legal rights of all the countries with which we have been in contact than has been the prevalent practice in any other part of the world. The discussion of the particular topics which I am bringing before you this evening will, I hope, help to develop the character, trend, and uniformity of this policy.

The recognition of a new state has been described by writers on international law as the assurance given to it that it will be permitted to hold its place and rank in the character of an independent political organism in the society of nations. The recognition of a new government within a state arises in practice only when a government has been changed or established by revolution or by a *coup d'état*. No question of recognition normally arises, for example, when a king dies and his heir succeeds to the throne, or where as the result of an election in a republic a new chief executive constitutionally assumes office. The practice of this country as to the recognition of new governments has been substantially uniform from the days of the administration of Secretary of State Jefferson in 1792 to the days of Secretary of State Bryan in 1913. There were certain slight departures from this policy during the Civil War, but they were manifestly due to the exigencies of warfare and were abandoned immediately afterwards. This general policy, as thus observed, was to base the act of recognition not upon the question of the constitutional legitimacy of the new government but upon its *de facto* capacity

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to fulfil its obligations as a member of the family of nations. This country recognized the right of other nations to regulate their own internal affairs of government and disclaimed any attempt to base its recognition upon the correctness of their constitutional action.

Said Mr. Jefferson in 1792:

> We certainly cannot deny to other nations that principle whereon our own Government is founded, that every nation has a right to govern itself internally under what forms it pleases, and to change these forms at its own will; and externally to transact business with other nations through whatever organ it chooses, whether that be a king, convention, assembly, committee, president, or whatever it be.[2]

In these essentials our practice corresponded with the practice of the other nations of the world.

The particular considerations upon which our action was regularly based were well stated by Mr. Adee, long the trusted Assistant Secretary of State of this Government, as follows:

> Ever since the American Revolution entrance upon diplomatic intercourse with foreign states has been *de facto*, dependent upon the existence of three conditions of fact: the control of the administrative machinery of the state; the general acquiescence of its people; and the ability and willingness of their government to discharge international and conventional obligations. The form of government has not been a conditional factor in such recognition; in other words, the *de jure* element of legitimacy of title has been left aside.[3]

With the advent of President Wilson's administration this policy of over a century was radically departed from in respect to the Republic of Mexico, and, by a public declaration on March 11, 1913, it was announced that

> Coöperation [with our sister republics of Central and South America] is possible only when supported at every turn by the orderly processes of just government based upon law, not upon arbitrary or irregular force. We hold, as I am sure that all thoughtful leaders of republican government everywhere hold, that just government rests always upon the consent of the governed, and that there can be no freedom without order based upon law and upon the public conscience and approval. We shall look to make these principles the basis of mutual intercourse, respect, and helpfulness between our sister republics and ourselves.[4]

Mr. Wilson's government sought to put this new policy into effect in respect to the recognition of the then Government of

[2] Jefferson to Pinckney, "Works," Vol. III, p. 500.
[3] "Foreign Relations of the United States," 1913, p. 100.
[4] "Foreign Relations of the United States," 1913, p. 7.

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Mexico held by President Victoriano Huerta. Although Huerta's government was in *de facto* possession, Mr. Wilson refused to recognize it, and he sought through the influence and pressure of his great office to force it from power. Armed conflict followed with the forces of Mexico, and disturbed relations between us and that republic lasted until a comparatively few years ago.

In his sympathy for the development of free constitutional institutions among the people of our Latin American neighbors, Mr. Wilson did not differ from the feelings of the great mass of his countrymen in the United States, including Mr. Jefferson and Mr. Adams, whose statements I have quoted; but he differed from the practice of his predecessors in seeking actively to propagate these institutions in a foreign country by the direct influence of this Government and to do this against the desire of the authorities and people of Mexico.

The present administration has declined to follow the policy of Mr. Wilson and has followed consistently the former practice of this Government since the days of Jefferson. As soon as it was reported to us, through our diplomatic representatives, that the new governments in Bolivia, Peru, Argentina, Brazil, and Panama were in control of the administrative machinery of the state, with the apparent general acquiescence of their people, and that they were willing and apparently able to discharge their international and conventional obligations, they were recognized by our Government. And, in view of the economic depression, with the consequent need for prompt measures of financial stabilization, we did this with as little delay as possible in order to give those sorely pressed countries the quickest possible opportunities for recovering their economic poise.

Such has been our policy in all cases where international practice was not affected or controlled by preëxisting treaty. In the five republics of Central America, Guatemala, Honduras, Salvador, Nicaragua, and Costa Rica, however, an entirely different situation exists from that normally presented under international law and practice. As I have already pointed out, those countries geographically have for a century been the focus of the greatest difficulties and the most frequent disturbances in their earnest course towards competent maturity in the discharge of their international obligations. Until some two decades ago, war within and without was their frequent portion. No administration of their government was long safe from revo-

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lutionary attack instigated either by factions of its own citizens or by the machinations of another one of the five republics. Free elections, the cornerstone upon which our own democracy rests, had been practically unknown during the entire period. In 1907 a period of strife, involving four of the five republics, had lasted almost without interruption for several years. In that year, on the joint suggestion and mediation of the Governments of the United States and Mexico, the five republics met for the purpose of considering methods intended to mitigate and, if possible, terminate the intolerable situation. By one of the conventions which they then adopted, the five republics agreed with one another as follows:

> The Governments of the high contracting parties shall not recognize any other government which may come into power in any of the five republics as a consequence of a *coup d'état*, or of a revolution against the recognized government, so long as the freely elected representatives of the people thereof have not constitutionally reorganized the country.

Sixteen years later, in 1923, the same five republics, evidently satisfied with the principle they had thus adopted and desiring to reinforce it and prevent any future evasions of that principle, met again, reënacted the same covenant, and further promised each other that even after a revolutionary government had been constitutionally reorganized by the representatives of the people, they would not recognize it if its president should have been a leader in the preceding revolution or related to such a leader by blood or marriage, or if he should have been a cabinet officer or held some high military command during the accomplishment of the revolution. Some four months thereafter, our own Government, on the invitation of these republics, who had conducted their meeting in Washington, announced, through Secretary Hughes, that the United States would in its future dealings with those republics follow out the same principle which they had thus established in their treaty. Since that time we have consistently adhered to this policy in respect to those five republics.

We followed that policy in Guatemala in the case of a recent revolution in which some fifty-seven people were killed. General Orellano, the leader of the revolt, set himself up as the provisional president of that republic on December 16, 1930. On December 22, 1930, we notified him that in accordance with the policy established by the 1923 treaty he would not be recognized by us. No recognition was granted him by any of the other four

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republics. Following this, he tendered his resignation and retired from office; and on January 2, 1931, through the constitutional forms provided in the Guatemalan Constitution, Señor Reina Andrade was chosen provisional president by the Guatemalan Congress and immediately called a new election for a permanent president. Thereupon this country and the other four republics recognized the government of Señor Reina Andrade.

Since the adoption by Secretary Hughes, in 1923, of the policy of recognition agreed upon by the five republics in their convention, not one single revolutionary government has been able to maintain itself in any of those five republics. Twice, once in Nicaragua and once in the case of Guatemala, just described, a revolutionary leader has succeeded in grasping the reins of government for a brief period. But in each case the failure to obtain recognition has resulted in his prompt resignation, on account of his inability to borrow money in the international markets. Several times within the same period a contemplated revolution has been abandoned by its conspirators on the simple reminder by a minister from this country or one of the other republics that, even if they were successful, their government would not be recognized; and undoubtedly in many more cases has the knowledge of the existence of the policy prevented even the preparation for a revolution or *coup d'état*. In every one of these cases the other four republics have made common cause in the efforts of the United States to carry out their policy and maintain stability. When one compares this record with the bloodstained history of Central America before the adoption of the treaty of 1923, I think that no impartial student can avoid the conclusion that the treaty and the policy which it has established in that locality has been productive of very great good.

Of course it is a departure from the regular international practice of our Government, and it undoubtedly contains possible difficulties and dangers of application which we in the State Department are the last to minimize and in case of which, should they arise, this Government must reserve its freedom of action. But the distinction between this departure, which was suggested by the five republics themselves and in which we have acted at their earnest desire and in coöperation with them, and the departure taken by President Wilson in an attempt to force upon Mexico a policy which she resented must be apparent to the most thoughtless student. A few weeks ago Judge John Bassett

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Moore, who as Counselor of the State Department was a member of Mr. Wilson's administration, criticized Mr. Wilson's departure from the former practice of this country, and he included within his criticism the departure initiated by the treaty of 1923. He did not, however, point out the foregoing radical difference of principle between the two policies, nor the entirely different results which have followed each, and which thus far seem quite to justify the policy of 1923.

Furthermore, it may be noted that one of the dangers which might be apprehended from this policy of recognition adopted by the five Central American republics under the treaty of 1923 has not materialized. One of the most serious evils in Central America has been the fact that throughout the history of those republics, until recently, it has been the habitual practice of the president who held the machinery of government to influence and control the election of his successor. This has tended to stimulate revolution as the only means by which a change of government could be accomplished. The danger was therefore manifest that this treaty of 1923 might result in perpetuating the autocratic power of the governments which were for the time in possession. As a matter of fact this has not happened. On the contrary, significant improvement has taken place in election practice. The Government of Nicaragua of its own motion has sought and obtained the assistance of the United States in securing free and uncontrolled elections in 1928 and 1930. The Government of Honduras, in 1928, without any such assistance, conducted an election which was so free that the party in power was dispossessed by the opposition party; and a similar free election has apparently occurred in 1930. For nearly one hundred years before 1923 free elections have been so rare in Central America as to be almost unique. Of course, it is too early to make safe generalizations, but it would seem that the stability created by the treaty of 1923 apparently has not tended to perpetuate existing autocracies but, on the contrary, to stimulate a greater sense of responsibility in elections.

I will now pass to the subject of the policy of this Government in respect to the export of arms and munitions to countries which are engaged in civil strife. Twice during the present Administration we have had to make important decisions and take important action in respect to this subject. The first of these occasions was in March, 1929, when a military insurrection broke out in the Republic of Mexico. This insurrection was of serious nature and

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extent. It involved disturbances in many of the Mexican provinces and much fighting and bloodshed. Acting under a joint resolution of our Congress, adopted in 1922, this Government maintained an embargo upon the exportation of all arms and munitions which might reach the rebels. At the same time, it permitted the sale and itself sold arms and ammunition to the established government of Mexico, with which we were then and had been for a number of years in diplomatic relations. In about three months the insurrection was suppressed, and I think it can be fairly said that it is due in no slight degree to our action in this matter that the feelings of hostility on the part of Mexico to the United States which had existed ever since the intervention of President Wilson against Huerta in 1913 were finally ended and the relations of the two countries became friendly and cordial.

The second occasion was in October, 1930, when armed insurrection had broken out against the Government of Brazil. In the same way in which we had acted towards Mexico, we permitted that government to purchase arms both from our Government and from our nationals in this country; and, when the Ambassador of Brazil brought to our attention the fact that arms were being purchased in this country for export to the rebel forces fighting against the recognized government, we placed an embargo against the exportation of such arms. Two days later the Government of Brazil suddenly fell, the immediate cause being the revolt of its own garrison in Rio de Janeiro.

In placing the embargo upon the exportation of arms to the Brazilian rebel forces, our Government acted under the same joint resolution of our Congress of 1922 and with the same purpose and upon the same policy as had guided our action in the case of Mexico and in other cases where action has been taken under that resolution. That purpose was "to prevent arms and munitions procured from the United States being used to promote conditions of domestic violence" in countries whose governments we had recognized and with which we were in friendly intercourse. This was the purpose and policy as stated by our Congress in the language of the resolution itself.

In the case of Brazil there also was in effect a treaty between the United States and Brazil which made it compulsory for us to act as we did in placing this embargo. With Mexico that treaty had not yet gone into effect. This treaty was the convention executed at Habana on February 20, 1928, between the United

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States and the twenty Latin American republics, providing for the rights and duties of states in the event of civil strife. Between its signatories it rendered compulsory the policy of protecting our Latin American sister republics against the traffic in arms and war material carried on by our nationals, a duty which previously the joint resolution of 1922 had left within the discretion of the Executive. The language of the treaty of 1928 is as follows:

> The contracting states bind themselves to observe the following rules with regard to civil strife in another one of them: . . .
>
> 3. To forbid the traffic in arms and war material, except when intended for the government, while the belligerency of the rebels has not been recognized, in which latter case the rules of neutrality shall be applied.

Our action in regard to Brazil has been criticized by gentlemen who have confused the legal situation which existed in Brazil with an entirely different situation. We have been criticized for "taking sides in that civil strife," as if we had been under the duty to maintain neutrality between the Brazilian Government and the rebels who were seeking to overthrow it.

Under the law of nations the duty of neutrality does not arise until the insurgents have assumed the status of a belligerent power between whom and the mother country other governments must maintain impartiality. This occurs when a condition of belligerency is recognized either by the parent state itself or by the governments of other nations. Such a situation arose in our Civil War when the Confederate States, having occupied exclusively a portion of the territory of the United States and having set up their own capital at Richmond, were recognized as belligerents by the nations of Europe. It has not arisen in any of the recent revolutions of Latin America, whether successful or unsuccessful. The revolutionists in Brazil had not been recognized as belligerents either by the Brazilian Government, by the United States, or by any other nation. Until that happens, under the law and practice of nations, no duty of impartiality arises either on the part of our Government or our citizens. Until that time there is only one side towards which, under international law, other nations owe any duty. This is so well established as to be elementary. It was recognized in the clause of the treaty of 1928 which I have just quoted. It is recognized in the standard legal treatises, including that of Mr. John Bassett Moore, who cites among other precedents an opinion of one of our Attorney Generals and says that

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It (the United States Neutrality Act of 1818) would extend to the fitting out and arming of vessels for a revolted colony, whose belligerency had not been recognized, but it should not be applied to the fitting out, etc., of vessels for the parent state for use against a revolted colony whose independence has not in any manner been recognized by our Government.[5]

Until belligerency is recognized and the duty of neutrality arises, all the humane predispositions towards stability of government, the preservation of international amity, and the protection of established intercourse between nations are in favor of the existing government. This is particularly the case in countries where civil strife has been as frequent, as personal, and as disastrous as it has been in some sections of Central and South America during the past century. The law of nations is not static. It grows and develops with the experience of mankind, and its development follows that same line of human predispositions and experiences to which I have referred.

The domestic legislation of the United States prescribing the duties of its citizens towards nations suffering from civil strife is following the line of these predispositions and is blazing the way for the subsequent growth of the law of nations. I am not one who regards this development of American domestic legislation, exemplified by the joint resolution of 1922, as a departure from the principles of international law or as a reactionary or backward step. The reverse is true. Although I have had little occasion to deal with the subject of international law from an academic viewpoint, it has happened that at different times during my life I have occupied public offices where I came in official contact with international conditions before they were remedied by the beneficent effect of the joint resolution of 1922 and its predecessor, the joint resolution of 1912.

Twenty-five years ago, as United States Attorney in the Southern District of New York, much of my time and energy was devoted to the enforcement of the so-called neutrality acts of the United States. Our laws were then insufficient to control the shipment of arms from this country, even when the purpose of stirring up strife, sedition, and revolutions in the republics to the south of us was manifest. I can remember the time when a single concern in the State of New York used to make it known that they were fully prepared to outfit on short notice, for war service,

[5] Hoar, Attorney General, 1869, 13 Op. 177. Cited in Judge Moore's "Digest of International Law," Vol. VII, p. 1079.

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expeditions of any size up to several thousand men. I personally witnessed the activities by which some of our munitions manufacturers for sordid gain became a veritable curse to the stability of our neighboring republics. Later, as Secretary of War, I became a witness to the fact that our own citizens were sometimes the innocent victims of domestic strife in adjacent countries stirred up by this disgraceful traffic. When an insurrection broke out in Mexico the first effort of the rebels was usually to try to seize a customhouse on one of the important railroad crossings between our two countries, in order that they might freely receive arms and ammunition from this country. And I myself have seen the bullet marks on the houses in El Paso, Texas, caused by a conflict of this kind in Juarez, across the river, in which over a score of innocent citizens of El Paso, going about their accustomed duties on American soil, were killed or injured.

With these personal experiences in mind, I had little difficulty in reaching the conclusion that those who argued for the liberty of our munitions manufacturers to continue for profit a traffic which was staining with blood the soil of the Central American republics were not the progressives in international law or practice. I am glad that I had a share in the drafting of the joint resolution of 1912, and I have studied closely the progress of its remedial effect upon the conditions which it was designed to cure. I am glad to find that that effect has been beneficial. By our own Government it has been found so beneficent that in 1922 its scope was extended from civil strife in America to civil strife in certain other portions of the world. By 1928 its beneficent influence was so generally recognized that at the great Pan American Conference held in Habana in that year, all of the nations of this hemisphere embodied in the treaty of 1928 as a definite and compulsory legal obligation the same policy which we had been able in 1912 to initiate as a discretionary power of the American President. I believe that this marks the line which the law of nations will eventually follow throughout the world. When it does so, I believe that international law and practice will have achieved another step forward towards the ultimate peace of mankind. It is my hope that the decisions of the State Department during the past two years will be found to have assisted in this beneficent progress.

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